2015

SESSION LAWS

OF THE

STATE OF WASHINGTON

THIRD SPECIAL SESSION SIXTY-FOURTH LEGISLATURE

Convened June 28, 2015. Adjourned July 10, 2015.



Published at Olympia by the Statute Law Committee under Chapter 44.20 RCW.

K. KYLE THIESSEN

Code Reviser

http://www.leg.wa.gov/codereviser

WASHINGTON SESSION LAWS GENERAL INFORMATION

1. EDITIONS AVALIABLE.

- (a) General Information. The session laws are printed in a permanent softbound edition containing the accumulation of all laws adopted in the legislative session. The edition contains a subject index and tables indicating Revised Code of Washington sections affected.
- (b) Where and how obtained price. The permanent session laws may be ordered from the Statute Law Committee, Pritchard Building, P.O. Box 40552, Olympia, Washington 98504-0552. The edition costs \$25.00 per set plus applicable state and local sales taxes and \$7.00 shipping and handling. All orders must be accompanied by payment.

2. PRINTING STYLE - INDICATION OF NEW OR DELETED MATTER.

The session laws are presented in the form in which they were enacted by the legislature. This style quickly and graphically portrays the current changes to existing law as follows:

- (a) In amendatory sections
 - (i) underlined matter is new matter.
 - (ii) deleted matter is ((lined out and bracketed between double parentheses)).
- (b) Complete new sections are prefaced by the words NEW SECTION.

3. PARTIAL VETOES.

- (a) Vetoed matter is printed in bold italics.
- (b) Pertinent excerpts of the governor's explanation of partial vetoes are printed at the end of the chapter concerned.
- EDITORIAL CORRECTIONS. Words and clauses inserted in the session laws under the authority of RCW 44.20.060 are enclosed in [brackets].

5. EFFECTIVE DATE OF LAWS.

- (a) The state Constitution provides that unless otherwise qualified, the laws of any session take effect ninety days after adjournment sine die. The Secretary of State has determined the effective date for the Laws of the 2015 third special session is October 9, 2015.
- (b) Laws that carry an emergency clause take effect immediately, or as otherwise specified, upon approval by the Governor.
- (c) Laws that prescribe an effective date take effect upon that date.

6. INDEX AND TABLES.

A cumulative index and tables of all 2015 laws may be found at the back of the final volume.

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CHAPTER 3

[Second Engrossed House Bill 1115]

CAPITAL BUDGET

AN ACT Relating to the capital budget; making appropriations and authorizing expenditures for capital improvements; amending RCW 43.160.080, 27.34.330, 28A.525.166, 28B.20.725, 28B.15.310, 28B.15.210, 28B.30.750, 28B.35.370, 28B.50.360, 43.19.501, 43.155.050, 43.155.070, 43.160.080, 43.131.413, 43.131.414, and 28B.20.744; amending 2013 2nd sp.s. c 19 ss 1073, 1074, 1077, 1078, 1091, 1109, 1093, 1099, 1108, 1104, 1105, 2024, 2028, 3067, 3058, 3101, 3190, 3212, 5007, 5020, 5015, 5025, 5055, 5108, 5110, and 7043 (uncodified); amending 2013 3rd sp.s. c 1 s 3 (uncodified); reenacting and amending RCW 70.105D.070; adding new sections to 2013 2nd sp.s. c 19 (uncodified); creating new sections; repealing 2013 2nd sp.s. c 19 ss 1090 and 7013 (uncodified); making appropriations; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** (1) A capital budget is hereby adopted and, subject to the provisions set forth in this act, the several dollar amounts hereinafter specified, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for capital projects during the period beginning with the effective date of this act and ending June 30, 2017, out of the several funds specified in this act.

- (2) The definitions in this subsection apply throughout this act unless the context clearly requires otherwise.
- (a) "Fiscal year 2016" or "FY 2016" means the period beginning July 1, 2015, and ending June 30, 2016.
- (b) "Fiscal year 2017" or "FY 2017" means the period beginning July 1, 2016, and ending June 30, 2017.
- (c) "Lapse" or "revert" means the amount shall return to an unappropriated status.
- (d) "Provided solely" means the specified amount may be spent only for the specified purpose.
- (3) Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose that is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.
- (4) The amounts shown under the headings "Prior Biennia," "Future Biennia," and "Total" in this act are for informational purposes only and do not constitute legislative approval of these amounts. "Prior biennia" typically refers to the immediate prior biennium for reappropriations, but may refer to multiple biennia in the case of specific projects. A "future biennia" amount is an estimate of what may be appropriated for the project or program in the 2017-2019 biennium and the following three biennia; an amount of zero does not necessarily constitute legislative intent to not provide funding for the project or program in the future.
- (5) "Reappropriations" in this act are appropriations and, unless the context clearly provides otherwise, are subject to the relevant conditions and limitations applicable to appropriations. Reappropriations shall be limited to the unexpended balances remaining on June 30, 2015, from the 2013-2015 biennial appropriations for each project.

PART 1 GENERAL GOVERNMENT

<u>NEW SECTION.</u> Sec. 1001. FOR THE HOUSE OF REPRESENTATIVES

House of Representatives Interim Task Force on Washington Waters (91000002)

- (1) The house of representatives finds that low water supply in portions of eastern Washington, catastrophic flood damage, and storm water runoff polluting state waterways have reached crisis levels, endangering the health and safety of our citizens and the environment.
- (2) The house of representatives interim task force on Washington waters is established to build upon the foundation of Senate Bill No. 5628 that was introduced in the 2015 regular session and provided for storm water, flood control, and water supply infrastructure in the state. The objective of the task force is to prepare a report and draft legislation for consideration in the 2016 legislative session that:
- (a) Quantifies the level of funding needed through fiscal year 2026 to address the three water priorities;
- (b) Develops and recommends state funding options that address the three water priorities equally;
- (c) Develops and recommends local funding options that generate revenues from municipal and agricultural beneficiaries;
- (d) Develops and recommends criteria and mechanisms for managing, prioritizing and distributing the funding;
- (e) Analyzes and reports on the metrics and variables associated with water market pricing, including the costs per acre-foot of water supply developed and delivered for irrigation; and
 - (f) Addresses other relevant issues as determined by the task force.
- (3) The house of representatives interim task force on Washington waters must consist of ten members:
- (a) Five members from the majority caucus appointed by the speaker of the house, including the chair of the capital budget committee; one member each from the appropriations, finance, and transportation committees; and one member at large; and
- (b) Five members from the minority caucus appointed by the minority leader, including the ranking minority member of the capital budget committee; one member each from the appropriations, finance, and transportation committees; and one member at large.
- (c) The chair and the ranking minority member of the capital budget committee shall cochair the task force.
- (d) Appointments to the task force must be completed within fifteen days of the effective date of this section.
- (4) Principal staff support for the task force must be provided by the house of representatives office of program research. The task force may:
- (a) Request the participation of the office of financial management and other relevant executive branch agencies;

- (b) Enter into contracts with persons who have specific technical expertise; and
- (c) Solicit information and perspectives from representatives of public and private organizations.
- (5) Legislative members of the task force must be reimbursed for travel expenses in accordance with RCW 44.04.120. Task force expenditures are subject to approval by the house of representatives executive rules committee, or its successor committee.
- (6) The task force must report its findings and recommendations to appropriate legislative committees by November 15, 2015.
 - (7) The task force expires on June 30, 2016.
- (8) The appropriation in this section is provided solely for any technical research and analysis required to carry out the task force objectives in subsection (2) of this section.

Appropriation:

State Building Construction Account—State	\$75,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	

NEW SECTION. Sec. 1002. FOR THE SECRETARY OF STATE Library - Archives Building (30000033)

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

- (1) The appropriation is provided solely for a predesign to determine: (a) Necessary program space for the state library currently located in Tumwater, and additional archive space; (b) capital budget requirements, including the use of fees collected by the secretary of state that will support a certificate of participation for the financing of the construction of the facility, and future operating costs; and (c) projected efficiencies of electronic document storage in determining necessary space.
- (2) The study must consider the use of the general administration building site as a possible location; and any benefits or consequences may be identified at this site or other sites considered; and lease options.
- (3) The office of financial management shall determine the maximum use of the site and consider the consolidation of other state agencies, including separately elected officials.
- (4) The building must be a high performance building as described in section 7008 of this act and the construction must be procured using a performance based method including design-build or design-build-operatemaintain.

Appropriation:

State Building Construction Account—State	\$400,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$55,428,000
TOTAL	\$55.828.000

<u>NEW SECTION.</u> **Sec. 1003. FOR THE SECRETARY OF STATE** Minor Works (91000007)

Appropriation: State Building Construction Account—State \$1,007,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,007,000
NEW SECTION. Sec. 1004. FOR THE DEPARTMENT OF COMMERCE Local and Community Projects (20064008)
The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions in section 131, chapter 488, Laws of 2005.
Reappropriation:State Building Construction Account—State\$434,000Prior Biennia (Expenditures)\$45,458,000Future Biennia (Projected Costs)\$0TOTAL\$45,892,000
NEW SECTION. Sec. 1005. FOR THE DEPARTMENT OF COMMERCE Rural Washington Loan Fund (20064010)
Reappropriation: Rural Washington Loan Account—State. \$2,383,000 Prior Biennia (Expenditures). \$1,744,000 Future Biennia (Projected Costs). \$0 TOTAL. \$4,127,000 NEW SECTION. Sec. 1006. FOR THE DEPARTMENT OF COMMERCE Rural Washington Loan Fund (20074008)
Reappropriation:Rural Washington Loan Account—State\$1,822,000Prior Biennia (Expenditures)\$205,000Future Biennia (Projected Costs)\$0TOTAL\$2,027,000
<u>NEW SECTION.</u> Sec. 1007. FOR THE DEPARTMENT OF COMMERCE Housing Assistance, Weatherization, and Affordable Housing (20074009)
Reappropriation: State Taxable Building Construction Account— \$1,405,000 Washington Housing Trust Account—State \$86,000 Subtotal Reappropriation \$1,491,000 Prior Biennia (Expenditures) \$198,509,000 Future Biennia (Projected Costs) \$0 TOTAL \$200,000,000 NEW SECTION Sec. 1008. FOR THE DEPARTMENT OF COMMERCE

Job Development Fund Grants (20074010)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1032, chapter 520, Laws of 2007 and section 1005, chapter 36, Laws of 2010 1st sp. sess.

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State Building Construction Account—State	\$3,987,000
Prior Biennia (Expenditures)	. \$44,943,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1009. FOR THE DEPARTMENT OF COMMERCE

Local and Community Projects (20084001)

The reappropriation in this section is subject to the following conditions and limitations: Except as directed otherwise prior to the effective date of this section, the department shall not expend the reappropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the reappropriation is released for design costs only.

Reappropriation:

State Building Construction Account—State	\$113,000
Prior Biennia (Expenditures)	. \$127,577,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1010. FOR THE DEPARTMENT OF COMMERCE

Community Development Fund (20084850)

Reappropriation:

State Building Construction Account—State	\$1,213,000
Prior Biennia (Expenditures)	\$19,703,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$20,916,000

${ m \underline{NEW}}$ SECTION. Sec. 1011. FOR THE DEPARTMENT OF COMMERCE

Housing Assistance, Weatherization, and Affordable Housing (30000013)

Reappropriation:

Washington Housing Trust Account—State	\$276,000
Prior Biennia (Expenditures)	\$129,724,000
Future Biennia (Projected Costs)	
TOTAL	¢120 000 000

 ${
m \underline{NEW}}$ SECTION. Sec. 1012. FOR THE DEPARTMENT OF COMMERCE

2010 Local and Community Projects (30000082)

The reappropriation in this section is subject to the following conditions and limitations: The projects must comply with RCW 43.63A.125 and other requirements for community projects administered by the department.

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State Building Construction Account—State	\$1,991,000
Prior Biennia (Expenditures)	\$11,431,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$13,422,000

${ m NEW}$ SECTION. Sec. 1013. FOR THE DEPARTMENT OF COMMERCE

Drinking Water State Revolving Fund Loan Program (30000095)

Reappropriation:

Drinking Water Assistance Account—State	\$6,451,000
Drinking Water Assistance Repayment Account—State	\$90,368,000
Subtotal Reappropriation	\$96,819,000
Prior Biennia (Expenditures)	\$10,863,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1014. FOR THE DEPARTMENT OF COMMERCE

Community Economic Revitalization Board (30000097)

Reappropriation:

Public Facility Construction Loan Revolving Account—	
State	,104,000
Prior Biennia (Expenditures)\$2	,896,000
Future Biennia (Projected Costs)	\$0
TOTAL	.000,000

${ m \underline{NEW}}$ SECTION. Sec. 1015. FOR THE DEPARTMENT OF COMMERCE

Housing Assistance, Weatherization, Affordable Housing Trust Fund (30000098)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1026, chapter 49, Laws of 2011 1st sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	\$6,907,000
Prior Biennia (Expenditures)	. \$43,093,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$50,000,000

<u>NEW SECTION.</u> Sec. 1016. FOR THE DEPARTMENT OF COMMERCE

Public Works Assistance Account Program (30000103)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1021, chapter 48, Laws of 2011 1st sp. sess.

Reappropriation:

Public Works Assistance Account—State	\$90,734,000
Prior Biennia (Expenditures)	\$233,851,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$324.585.000

${ m \underline{NEW}}$ SECTION. Sec. 1017. FOR THE DEPARTMENT OF COMMERCE

Building Communities Fund Grants (30000102)

The reappropriation in this section is subject to the following conditions and limitations:

- (1) The reappropriation is subject to the provisions of section 1027, chapter 49, Laws of 2011, 1st sp. sess.
- (2) \$573,000 of the reappropriation is provided solely for the University District food bank project.
- (3) \$815,000 of the reappropriation is provided solely for the Village Green foundation project.

Reappropriation:

State Building Construction Account—State	\$1,388,000
Prior Biennia (Expenditures)	\$12,830,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$14,218,000

${ m NEW}$ SECTION. Sec. 1018. FOR THE DEPARTMENT OF COMMERCE

Local and Community Projects (30000166)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1002, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$1,887,000
Prior Biennia (Expenditures)	. \$14,930,000
Future Biennia (Projected Costs)	\$0
ΤΟΤΔΙ	\$16 817 000

${ m \underline{NEW}}$ SECTION. Sec. 1019. FOR THE DEPARTMENT OF COMMERCE

Financing Energy/Water Efficiency (30000180)

Reappropriation:

Public Works Assistance Account—State	\$4,886,000
Prior Biennia (Expenditures)	\$114,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

<u>NEW SECTION.</u> Sec. 1020. FOR THE DEPARTMENT OF COMMERCE

Public Works Assistance Account Program 2013 Loan List (30000184)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1016, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

Public Works Assistance Account—State	\$82,786,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	\$82,786,000

${ m NEW}$ SECTION. Sec. 1021. FOR THE DEPARTMENT OF COMMERCE

Building for the Arts Grants (30000186)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1063, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	. \$3,301,000
Prior Biennia (Expenditures)	. \$6,903,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$10,204,000

<u>NEW SECTION.</u> Sec. 1022. FOR THE DEPARTMENT OF COMMERCE

Drinking Water State Revolving Fund Loan Program (30000189)

The reappropriations in this section are subject to the following conditions and limitations: For projects involving repair, replacement, or improvement of a clean water infrastructure facility or other public works facility for which an investment grade efficiency audit is obtainable, the public works board must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its drinking water state revolving fund program loan.

Reappropriation:

Drinking Water Assistance Account—State	\$4,000,000
Drinking Water Assistance Repayment Account—	
State	. \$200,000,000
Subtotal Reappropriation	. \$204,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	. \$680,000,000
TOTAL	. \$884,000,000

${ m \underline{NEW}}$ SECTION. Sec. 1023. FOR THE DEPARTMENT OF COMMERCE

Community Economic Revitalization Board (30000190)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1070, chapter 19, Laws of 2013 2nd sp. sess.

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Reap	propri	iation:

Public Facility Construction Loan Revolving Account—	
State	\$8,882,000
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	\$0
TOTAL	\$9,000,000

${ m \underline{NEW}}$ SECTION. Sec. 1024. FOR THE DEPARTMENT OF COMMERCE

Weatherization (30000192)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1076, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$4,291,000
Prior Biennia (Expenditures)	. \$15,709,000
Future Biennia (Projected Costs)	\$0
TOTAL	

$\underline{\text{NEW}}$ SECTION. Sec. 1025. FOR THE DEPARTMENT OF COMMERCE

2013-2015 Energy Efficiency Grants (30000193)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1075, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$21,714,000
Prior Biennia (Expenditures)	\$3,286,000
Future Biennia (Projected Costs)	\$0
TOTAL	

${ m NEW}$ SECTION. Sec. 1026. FOR THE DEPARTMENT OF COMMERCE

Renton Aerospace Training Center Construction (30000724)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3, chapter 1, Laws of 2013 3rd sp. sess.

Reappropriation:

State Building Construction Account—State	. \$10,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	\$10,000,000

 ${
m \underline{NEW}}$ SECTION. Sec. 1027. FOR THE DEPARTMENT OF COMMERCE

ARRA SEP Revolving Loans (30000725)

Appropriation:

Energy Recovery Act Account—State	\$2,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$10,000,000
TOTAL	\$12,500,000

<u>NEW SECTION.</u> Sec. 1028. FOR THE DEPARTMENT OF COMMERCE

Clean Energy and Energy Freedom Program (30000726)

- (1) The appropriations are provided solely for projects that provide a benefit to the public through development, demonstration, and deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions or otherwise increase energy independence for the state.
- (2) In soliciting and evaluating proposals, awarding contracts, and monitoring projects under this section, the department must:
- (a) Ensure that competitive bidding processes, rather than sole source contracting processes, are used to select all projects;
- (b) Require that all expenditures be used for projects that develop and acquire asset that have a useful life of at least thirteen years; and
- (c) Conduct due diligence activities associated with the use of public funds including, but not limited to, oversight of the project selection process, project monitoring and ensuring that all applications and contracts fully comply with all applicable laws including disclosure and conflict of interest statutes.
- (3)(a) Pursuant to chapter 42.52 RCW, the ethics in public service act, the department must require an applicant to identify in application materials any state of Washington employees or former state employees employed or on the firm's governing board during the past twenty-four months. Application materials must identify the individual by name, the agency previously or currently employed by, job title or position held, and separation date. If it is determined by the department that a conflict of interest exists, the applicant may be disqualified from further consideration for award of a contract.
- (b) If the department finds, after due notice and examination, that there is a violation of chapter 42.52 RCW, or any similar statute involving a contractor either in procuring or performing under the contract, the department in its sole discretion may terminate the contract by written notice. If the contract is terminated, the department must be entitled to pursue the same remedies against the contractor as it could pursue in the event of a breach of the contract by the contractor.
- (4) The requirements in subsections (2) and (3) of this section must be specified in funding agreements issued by the department.
- (5) The department may not obligate or expend any of the amounts provided in this section on new projects that involve the Snohomish county public utilities district or its subcontractors until the executive ethics board responds to the department's June 17, 2015, request for an advisory opinion on poststate employment.

- (6)(a) \$10,000,000 of the state taxable building construction account is provided solely to create a revolving loan fund to support the widespread use of proven energy efficiency and renewable energy technologies now inhibited by lack of access to capital.
- (b) The department shall provide grant funds to one or more competitively selected nonprofit lenders that will provide matching private capital and will administer the loan fund. The department must select the loan fund administrator or administrators through a competitive process, with scoring conducted by a group of qualified experts, applying criteria specified by the department.
- (c) The department must establish guidelines that specify applicant eligibility, the screening process, and evaluation and selection criteria. The guidelines must be used by the nonprofit lenders.
- (d) Loan applications must disclose all sources of public funds invested in the project. The nonprofit lender must make loans available to the following types of projects that include, but are not limited to: Residential, commercial, industrial, and agricultural energy retrofits, residential and community-scale solar installations, anaerobic digesters to treat dairy and organic waste, and combined heat and power projects using woody biomass as a fuel source.
- (e) State funds may not exceed fifty percent of the estimated cost of a project, and funding preference must be provided to projects that offer a higher percentage of nonstate match funds.
- (7) \$6,600,000 of the state taxable building construction account is provided solely for credit enhancements of advanced solar and renewable energy manufacturing within Washington state. The department shall develop an application process to competitively select projects.
- (8)(a) \$13,000,000 of the state building construction account is provided solely for grants to advance clean and renewable energy technologies and advance transmission and distribution control system improvements for increased reliability, resiliency, and enabling integration of distributed and renewable resources and technology by public and private electrical utilities that serve retail customers in the state. Eligible utilities may partner with other public and private sector research organizations and businesses in applying for funding.
- (b) The department shall develop a grant application process to competitively select projects for grant awards, to include scoring conducted by a group of qualified experts with application of criteria specified by the department. In development of the application criteria, the department shall, to the extent possible, allow smaller utilities or consortia of small utilities to apply for funding.
- (c) The department shall convene an advisory panel of electric utility representatives to identify program objectives, near term priorities and long term goals.
- (d) Applications for grants must disclose all sources of public funds invested in a project.
- (e) Grant funds must be used for research, development, or demonstration projects that integrate intermittent renewables through energy storage, information technology or other smart grid technologies, dispatch energy storage resources from utility control rooms, use demand response, transactive control, or the thermal properties and electric load of commercial buildings and district energy systems to store energy, reduce transmission congestion or otherwise

improve system reliability and resiliency and enable integration of distributed and renewable energy sources.

- (9)(a) \$10,000,000 of the state building construction account is provided solely for grants to match federal funds or other nonstate funding sources used to research, develop, and demonstrate clean energy technologies.
- (b) The department shall consult with the University of Washington, Washington State University, the Pacific Northwest national laboratory and other clean energy organizations to design the program. The program shall offer matching funds for competitively selected clean energy projects including, but not limited to: Advancing energy storage and solar technologies, advancing bioenergy, developing new lightweight materials, and advancing renewable energy and energy efficiency technologies.
- (10) \$400,000 of the state building construction account—state is provided solely for capital funding of competitively selected wood energy conversion projects at public facilities.
- (11) The department must report on number and results of projects that receive grants or loans through the clean energy fund, including the number of job hours created and the number of jobs maintained and created, to the governor and the legislature, by November 1, 2016.
- (12) The department shall develop metrics that indicate the performance of energy efficiency efforts and provide a report of the metrics, including at a minimum the current energy used by the building, the energy use after efficiencies are completed, and cost of energy saved, to the house of representatives technology & economic development committee and the senate energy, environment & telecommunications committee. The report must include these metrics from other states.

Appropriation:

State Taxable Building Construction Account—State \$17,000,000
State Building Construction Account—State \$23,400,000
Subtotal Appropriation
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)\$240,000,000
TOTAL \$280,400,000

${ m \underline{NEW}}$ SECTION. Sec. 1029. FOR THE DEPARTMENT OF COMMERCE

Building for the Arts Program (30000731)

- (1) The appropriation is subject to the provisions of RCW 43.63A.750.
- (2) Except as directed otherwise prior to the effective date of this section, the department may not expend the appropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriation is released for design costs only.

KEXP's new home at Seattle center	\$1,866,000
Admiral theatre renovation 2.0	
Kirkland arts center - capital improvements project	
Uniontown creativity center addition and site	
improvements	\$123,000
San Juan islands museum of art	
KidsQuest children's museum - good to grow capital	
campaign	\$2,000,000
Cornish playhouse	
ACT theatre eagles auditorium restoration and renovation	
Music works northwest park 118 building renovation	\$64,000
New hands on children's museum	
TOTAL	
Appropriation:	¢5 707 000
State Building Construction Account—State	
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	
TOTAL	\$27,397,000
NEW SECTION. Sec. 1030. FOR THE	DEPARTMENT OF
COMMERCE	

Youth Recreational Facilities Program (30000792)

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

- (1) The appropriation is subject to the provisions of RCW 43.63A.135.
- (2) Except as directed otherwise prior to the effective date of this section, the department may not expend the appropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriation is released for design costs only.
- (3) The appropriation is provided solely for the following list of projects:Youth activity wing at the Tom Taylor family YMCA.\$515,000BGCB main club project\$1,200,000BGCB hidden valley fieldhouse project\$1,200,000Sultan boys & girls club.\$340,000Stanwood-Camano family YMCA\$1,200,000YMCA camp Terry environmental recreation center.\$500,000Mukilteo boys & girls club\$1,200,000Lummi youth wellness center renovation project\$1,200,000TOTAL\$7,355,000

Appropriation:

State Building Construction Account—State	\$7,355,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$32,000,000
TOTAL	\$39.355.000

<u>NEW SECTION.</u> Sec. 1031. FOR THE DEPARTMENT OF COMMERCE

Building Communities Fund Program (30000803)

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

- (1) The appropriation is subject to the provisions of RCW 43.63A.125.
- (2) Except as directed otherwise prior to the effective date of this section, the department may not expend the appropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriation is released for design costs only.

 (3) The appropriation is provided solely for the following list of projects:

(3) The appropriation is provided solely for the following list of provi	ojects:
Rainier Beach urban farm and wetlands	
Whatcom county emergency food hub	\$575,000
Hopelink Redmond integrated services center	2,400,000
Riverside drive building purchase	\$138,000
Centerforce	.\$98,000
Eritrean association community kitchen	.\$58,000
Tonasket food bank building acquisition	.\$22,000
Building for the future	\$300,000
Entiat Valley community services resource center	\$100,000
Pike market neighborhood center	\$500,000
Opportunity council renovation project	\$170,000
FareStart facility expansion to the Pacific tower	
Walla Walla community teen center	
El Centro de la Raza community access & parking	
improvements	\$600,000
Good ground capital campaign	\$300,000
Renewed hope capital campaign	.\$66,000
International community health services (ICHS)	3,500,000
Casa latina: A home for opportunity	
Centerstone building renovation	,500,000
PSRS office building conversion	\$212,000
Prairie oaks	\$200,000
Leschi center renovation\$1	,000,000
Everett family YMCA\$2	2,000,000
Behavioral healthcare center for children, youth and	
families	2,000,000
Phoenix rising	\$250,000
Gordon family YMCA (Sumner, WA)	
Community grief support and recovery center	,000,000
Auburn youth resources campus expansion	\$500,000
TOTAL	,859,000
Appropriation:	
State Building Construction Account—State	0,859,000

Prior Biennia (Expenditures)....

${ m \underline{NEW}}$ SECTION. Sec. 1032. FOR THE DEPARTMENT OF COMMERCE

Housing Trust Fund Appropriation (30000833)

- (1) The appropriation in this section is provided solely for the department to award loans and grants on a competitive basis to affordable housing projects statewide that will produce, at a minimum, a total of 1,900 homes and 500 seasonal beds, in the following categories and amounts:
 - (a) For people with chronic mental illness, 281 homes;
 - (b) For homeless families with children, 529 homes;
- (c) For people with disabilities, developmental disabilities, veterans, and others, 400 homes; of that number, a minimum of 80 must be for veterans;
 - (d) For homeless youth, 200 homes;
 - (e) For farmworkers, 176 homes and 500 seasonal beds;
 - (f) For seniors, 200 homes;
 - (g) For homeownership, 100 homes.
- (2) If upon review of completed applications, the department determines there are not adequate suitable projects in a category, the department may allocate funds to projects serving other low-income and special needs populations, provided those projects are located in an area with an identified need for the type of housing proposed.
- (3) In evaluating projects for homes for homeless families with children specified in subsection (1)(b) of this section, consistent with Engrossed House Bill No. 1633, the department must give preference for applications based on some or all of the criteria in chapter 43.185.070(5), including projects involving collaborative partnerships between local school districts and either public housing authorities or nonprofit housing providers, that help children of low-income families succeed in school.
- (4) \$625,000 of the appropriation in this section is provided solely for designing, engineering, constructing, installing, and other costs and fees associated with connecting existing and future farmworker housing in Skagit county to the city of Burlington sewer system.
- (5)(a) \$2,500,000 of the appropriation in this section is provided solely as a grant to the Puget Sound regional council for a revolving loan fund to support the development of affordable housing opportunities related to equitable transitoriented development in accordance with Second Engrossed Substitute Senate Bill No. 5987 (transportation revenue). This amount must be provided in the form of a direct grant without a requirement that the grant be a reimbursement for local expenditures.
- (b) Amounts provided in this section must be used to plan, predesign, design, provide technical assistance and financial services, and build low-income housing units in underserved communities of concern. "Underserved communities of concern" are persons and families who: (i) Have incomes at or below thirty percent of the median family income for the county or standard metropolitan statistical area where the project is located; (ii) experience chronic

homelessness; and (iii) lack affordable housing. Underserved communities of concern include veterans, immigrants, and refugee communities.

(c) Amounts provided in this section must be matched by local government nonstate cash resources.

Appropriation:

State Taxable Building Construction Account—State	\$75,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$220,000,000
TOTAL	\$295,000,000

${ m \underline{NEW}}$ SECTION. Sec. 1033. FOR THE DEPARTMENT OF COMMERCE

Ultra-Efficient Affordable Housing Demonstration (30000836)

- (1) The appropriation in this section is provided solely for loans or grants to low-income housing developers to design and construct ultra-high energy efficient housing projects including single and multifamily units;
- (2) By December 1, 2015, in consultation with professional building, energy efficiency and housing finance organizations, the office of financial management, and appropriate legislative staff, the department shall develop a process that is designed to solicit, evaluate, and fund ultra-high energy efficient housing projects as part of the housing trust fund competitive program.
- (3) To receive funding, a project must demonstrate energy-saving and renewable energy systems designed to reach net-zero energy use after housing is fully occupied and must provide a life-cycle cost analysis report to the department.
- (4) The department must consider, at a minimum and in any order, the following factors in assigning a numerical ranking to a project:
- (a) Whether the proposed design has demonstrated that the project will achieve net-zero energy use when fully occupied;
 - (b) The life-cycle cost of the project;
- (c) That the project demonstrates a design, use of materials, and construction process that can be replicated by the Washington building industry;
 - (d) The extent to which the project leverages nonstate funds;
 - (e) The extent to which the project is ready to proceed to construction;
- (f) Whether the project promotes sustainable use of resources and environmental quality;
- (g) Whether the project is being well-managed to fund maintenance and capital depreciation;
 - (h) Reduction of housing and utilities carbon footprint; and
- (i) Other criteria that the department considers necessary to achieve the purpose of this program.
- (5) The department must monitor and track the results of the housing projects that receive ultra-high energy efficiency funding under this section. By December 1, 2018, the department must submit a report to appropriate legislative committees documenting:
- (a) Project costs compared to the costs of traditional design and construction;

- (b) Life-cycle costs;
- (c) Use of sustainable resources:
- (d) Energy savings and reduction of carbon footprint;
- (e) Any lessons learned; and
- (f) A data collection plan to monitor actual performance in order to validate projected savings.

Appropriation:

Washington Housing Trust Account—State	\$2,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,500,000

${ m \underline{NEW}}$ SECTION. Sec. 1034. FOR THE DEPARTMENT OF COMMERCE

2015-2017 Community Economic Revitalization Board Program (30000834)

Appropriation:

Public Facility Construction Loan Revolving Account—	
State	10,600,000
Prior Biennia (Expenditures)	
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${\underline{\rm NEW}}$ SECTION. Sec. 1035. FOR THE DEPARTMENT OF COMMERCE

Energy Efficiency and Solar Grants (30000835)

- (1)(a) \$8,000,000 for fiscal year 2016 and \$8,000,000 for fiscal year 2017 is provided solely for grants to be awarded in competitive rounds to local agencies, public higher education institutions, school districts, and state agencies for operational cost savings improvements to facilities and related projects that result in energy and operational cost savings.
- (b) At least ten percent of each competitive grant round must be awarded to small cities or towns with a population of five thousand or fewer residents.
- (c) In each competitive round, the higher the leverage ratio of nonstate funding sources to state grant and the higher the energy savings, the higher the project ranking.
- (d) For school district applicants, priority consideration must be given to school districts that demonstrate improved health and safety through (i) reduced exposure to polychlorinated biphenyl; or (ii) replacing outdated heating systems that use oil or propane as fuel sources as identified by the Washington State University extension energy program; (iii) prior grant award: Priority consideration must be given to applicants that did not receive grant awards from appropriations provided in section 5023, chapter 19, Laws of 2013 2nd sp. sess.
- (2) \$5,775,000 is provided solely for grants to be awarded in competitive rounds to local agencies, public higher education institutions, school districts, and state agencies for projects that involve the purchase and installation of solar

energy systems, including solar modules and inverters, with a preference for Washington-manufactured products.

- (3) \$3,000,000 is provided solely for energy efficiency improvements to minor works and stand-alone projects at state-owned facilities that repair or replace existing building systems including but not limited to HVAC, lighting, insulation, windows, and other mechanical systems. Eligibility for this funding is dependent on an analysis using the office of financial management's life-cycle cost tool that compares project design alternatives for initial and long-term cost-effectiveness. Assuming a reasonable return on investment, the cost to improve the project's energy efficiency compared to the original project request will be added to the project appropriation after construction bids are received. The department of commerce shall coordinate with the office of financial management to develop a process for project submittal, review, approval criteria, tracking project budget adjustments, and performance measures.
- (4) \$225,000 is provided solely for resource conservation managers in the department of enterprise services to coordinate with state agencies and school districts to assess and adjust existing building systems and operations to optimize the efficiency in use of energy and other resources in state-owned facilities. The department of commerce will oversee an interagency agreement with the department of enterprise services to fund the resource conservation managers.
- (5) The department shall develop metrics that indicate the performance of energy efficiency efforts and provide a report of the metrics, including at a minimum the current energy used by the building, the energy use after efficiencies are completed, and cost of energy saved, to the house of representatives technology & economic development committee and the senate energy, environment & telecommunications committee. The report must include these metrics from other states.

Appropriation:

State Building Construction Account—State	\$25,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$120,000,000
TOTAL	\$145,000,000

<u>NEW SECTION.</u> Sec. 1036. FOR THE DEPARTMENT OF COMMERCE

Community Behavioral Health Bed - Acute & Residential (92000344)

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

(1) The appropriation in this section is provided solely for the department of commerce, in collaboration with the department of social and health services, to issue grants to hospitals or other entities to establish new community hospital inpatient psychiatric beds, free-standing evaluation and treatment facilities, enhanced services facilities, triage facilities, or crisis stabilization facilities with sixteen or fewer beds for the purpose of providing short-term detention services through the publicly funded mental health system. Funds may be used for construction and equipment costs associated with establishment of the community hospital inpatient psychiatric beds, free-standing evaluation and treatment facilities, enhanced services facilities, triage facilities, or crisis

stabilization facilities. These funds may not be used for operating costs associated with the treatment of patients using these services. The department shall establish criteria for the issuance of grants and priority must be given to those proposals to establish new community hospital inpatient psychiatric beds or free-standing evaluation and treatment facilities. The criteria must include:

- (a) Evidence that the application was developed in collaboration with one or more regional support networks, as defined in RCW 71.24.025;
- (b) Evidence that the applicant has assessed and would meet gaps in geographical access to short-term detention services under chapter 71.05 RCW in their region;
- (c) A commitment by applicants to serve persons who are publicly funded and persons detained under the involuntary treatment act under chapter 71.05 RCW;
- (d) A commitment by the applicant to maintain the beds or facility for at least a ten-year period;
- (e) The date upon which structural modifications or construction would begin and the anticipated date of completion of the project;
 - (f) A detailed estimate of the costs associated with opening the beds;
- (g) The applicant's commitment to work with local courts and prosecutors to ensure that prosecutors and courts in the area served by the hospital or facility will be available to conduct involuntary commitment hearings and proceedings under chapter 71.05 RCW; and
- (h) A lack of local resources, including nonmedicaid operating reserves, and regional fund balances that are not contractually encumbered.
- (2) To accommodate the emergent need for inpatient psychiatric services, the department of health and the department of commerce, in collaboration with the department of social and health services shall establish a concurrent and expedited process for the purpose of grant applicants meeting any applicable regulatory requirements necessary to operate inpatient psychiatric beds, free-standing evaluation and treatment facilities, enhanced services facilities, triage facilities, or crisis stabilization facilities.
- (3) The following list is subject to the criteria in subsection (1) of this section:

Cascade mental health	\$3,000,000
Woodmont recovery center	\$5,000,000
Parkside conversion to behavioral health beds	\$3,000,000
Navos behavioral health center for children, youth &	
families	\$2,000,000
Central Washington comprehensive mental health	\$2,000,000
Swedish Ballard psychiatric unit	\$3,000,000
Substance abuse & mental health facilities	\$2,000,000
Fairfax behavioral health - Providence health &	
services facility	\$1,000
Daybreak Youth Services	\$1,500,000
(4) Multicare-Franciscan joint venture	\$5,000,000
Appropriation:	
State Building Construction Account—State	\$32,000,000

Prior Biennia (Expenditures).....

Future Biennia (Projected Costs)\$	0
TOTAL	0

${ m NEW}$ SECTION. Sec. 1037. FOR THE DEPARTMENT OF COMMERCE

Weatherization Matchmaker Program (30000838)

The appropriation in this section is subject to the following conditions and limitations: The department shall develop metrics that indicate the performance of energy efficiency efforts and provide a report of the metrics, including at a minimum the current energy used by the building, the energy use after efficiencies are completed, and cost of energy saved, to the house of representatives technology & economic development committee and the senate energy, environment & telecommunications committee. The report must include these metrics from other states

Appropriation:

State Building Construction Account—State	\$15,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$60,000,000
TOTAL	\$75,000,000

<u>NEW SECTION.</u> Sec. 1038. FOR THE DEPARTMENT OF COMMERCE

2015-2017 Drinking Water State Revolving Fund Loan Program (30000840)

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

- (1) \$4,000,000 of the drinking water assistance account for fiscal year 2016 and \$4,000,000 of the drinking water assistance account for fiscal year 2017 is provided as state match for federal safe drinking water funds.
- (2) For projects involving repair, replacement, or improvement of a clean water infrastructure facility or other public works facility for which an investment grade efficiency audit is obtainable, the public works board must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its drinking water state revolving fund program loan.
- (3) The agency must encourage local government use of federally funded drinking water infrastructure programs operated by the United States department of agriculture rural development.

Appropriation:

Drinking Water Assistance Account—State	\$135,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$480,000,000
TOTAL	\$615,000,000

<u>NEW SECTION.</u> Sec. 1039. FOR THE DEPARTMENT OF COMMERCE

Community Energy Efficiency Program (30000845)

The appropriation in this section is subject to the following conditions and limitations: The department shall develop metrics that indicate the performance of energy efficiency efforts and provide a report of the metrics, including at a minimum the current energy used by the building, the energy use after efficiencies are completed, and cost of energy saved, to the house of representatives technology & economic development committee and the senate energy, environment & telecommunications committee. The report must include these metrics from other states

Appropriation:

State Building Construction Account—State	\$5,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	. \$40,000,000
TOTAL	. \$45,000,000

${ m NEW}$ SECTION. Sec. 1040. FOR THE DEPARTMENT OF COMMERCE

Local and Community Projects 2016 (92000369)

- (1) Except as directed otherwise prior to the effective date of this section, the department may not expend the appropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriation is released for design costs only.
- (2) Prior to receiving funds, project recipients must demonstrate that the project site is under control for a minimum of ten years, either through ownership or a long-term lease. This requirement does not apply to appropriations for preconstruction activities or appropriations whose sole purpose is to purchase real property that does not include a construction or renovation component.
- (3) Projects funded in this section may be required to comply with Washington's high performance building standards as required by chapter 39.35D RCW.
- (4) Project funds are available on a reimbursement basis only, and shall not be advanced under any circumstances.
- (5) Projects funded in this section must be held by the recipient for a minimum of ten years and used for the same purpose or purposes intended by the legislature as required in RCW 43.63A.125(6).
- (6) Projects funded in this section, including those that are owned and operated by nonprofit organizations, are generally required to pay state prevailing wages.
- (7) \$2,209,000 of the appropriation in this section is provided solely for the Fairchild air force base protection and community empowerment project, including the purchase of twenty acres of land for development of affordable housing and the county's purchase of mobile home parks in order to reduce the use of the accident potential zone for residential purposes. If the county subsequently rezones, develops, and leases the mobile home park property for

commercial or industrial uses contrary to the allowed uses in the accident potential zone, the county must repay to the state the amount spent on the purchase of mobile home parks in its entirety within ten years.

- (8) \$850,000 of the appropriation in this section is provided solely for the White River restoration project. Design solutions for flooding reductions in the lower White River must include a floodplain habitat design that both reduces flood risks and restores salmon habitat by reconnecting the river with its floodplain and a sustainable riparian corridor. Project designs and plans must also identify lands for acquisition needed for floodplain reconnection where pending or existing development eliminates the potential for riparian and aquatic habitat restoration. The city shall work cooperatively with the Muckleshoot Indian Tribe and the Puyallup Tribe of Indians, and develop a plan collaboratively to achieve both flood reduction and habitat restoration.
- (9) Up to \$150,000 of the appropriation in this section for the veterans helping veterans: Emergency transition shelter project may be spent on preconstruction or pre-acquisition activities, including, but not limited to, building inspections, design of necessary renovations, cost estimation, and other activities necessary to identify and select a facility appropriate for the program. The remainder of the appropriation must be used for eventual acquisition and renovations of a facility.
- (10) \$2,500,000 of the appropriation in this section is provided solely for the mercy housing and health care center at Sand Point. During the 2015-2017 fiscal biennium, the center may not house any community health care training organization that has been investigated by and has paid settlement fees to the attorney general's office for alleged medicaid fraud.
- (11) The Lake Chelan land use plan must be developed without adverse impacts on agricultural operations.
 - (12) The appropriation is provided solely for the following list of projects:

Algona senior center	\$500,000
All-accessible destination playground	\$750,000
Appleway trail	\$1,000,000
Basin 3 sewer rehabilitation	\$1,500,000
Bellevue downtown park inspiration playground and sensory	
garden	\$1,000,000
Bender fields parking lot and restrooms	\$1,000,000
Blackhills community soccer complex safety projects	\$750,000
Bremerton children's dental clinic	\$396,000
Brewster reservoir replacement	\$1,250,000
Brookville gardens	\$1,200,000
Camas-Washougal Babe Ruth youth baseball improve Louis	
Bloch park	\$10,000
Cancer immunotherapy facility-Seattle children's research	
inst.	\$7,000,000
Caribou trail apartments	\$100,000

Carnegie library imprv for the rapid recidivism reduction	
program	\$1,000,000
Cavelero park - regional park facility/skateboard park	\$500,000
CDM caregiving services: Clark county aging resource center	\$1,200,000
Centerville school heating upgrades	\$46,000
Chambers Creek regional park pier extension and moorage	\$1,750,000
City of LaCenter parks & rec community center	\$1,500,000
City of Lynden pipeline	\$2,000,000
City of Lynden-Riverview road construction	\$850,000
City of Lynden-safe rtes to school and Kaemingk trail gap	
elim.	\$300,000
City of Mt. Vernon downtown flood protect project &	
riverfront trail	\$1,500,000
City of Olympia - Percival Landing renovation	\$950,000
City of Pateros water system	\$1,838,000
City of Stanwood police station/city hall relocation	\$300,000
Classroom door barricade - nightlock	\$45,000
Confluence area parks upgrade and restoration	\$1,000,000
Corbin senior center elevator	\$300,000
Covington community park	\$5,000,000
Cross Kirkland corridor trail connection 52nd St.	\$1,069,000
Dawson place child advocacy center building completion	
project	\$161,000
Dekalb street pier	\$500,000
DNR/City of Castle Rock exchange	\$80,000
Dr. Sun Yat Sen memorial statue	\$10,000
Drug abuse and prevention center - Castle Rock	\$96,000
DuPont historical museum renovation	\$46,000
East Tacoma community center	\$1,000,000
Edmonds center for the arts: Gym climate control & roof	
repairs	\$250,000
Edmonds senior & community center	\$1,250,000
Emergency generator for kidney resource center	\$226,000
Enumclaw expo center	\$350,000
Fairchild air force base protection & comm empowerment	#* * * * * * * * * *
project	\$2,209,000
Federal Way PAC center	\$2,000,000

Filipino community of Seattle village (innovative learning	
center)	\$1,200,000
Franklin Pierce early learning center	\$2,000,000
Gateway center project	\$1,000,000
Gilda club repairs	\$800,000
Granite Falls boys & girls club	\$1,000,000
Gratzer park ball fields	\$200,000
Grays Harbor navigation improvement project	\$2,500,000
Green river gorge open space buffer, Kummer connection	\$750,000
Guy Cole center revitalization	\$450,000
Historic renovation Maryhill museum	\$1,000,000
Hopelink at Ronald commons	\$750,000
Irvine slough storm water separation	\$500,000
Kahlotus highway sewer force main	\$2,625,000
Kennewick boys and girls club	\$500,000
Kent east hill YMCA	\$500,000
Key Pen civics center	\$50,000
KiBe high school parking	\$125,000
Kitsap humane society - shelter renovation	\$90,000
Lacey boys & girls club	\$29,000
Lake Chelan land use plan	\$75,000
LeMay car museum ADA access improvements	\$500,000
Lyman city park renovation	\$167,000
Lyon creek flood reduction project	\$400,000
Main street revitalization project	\$1,300,000
Marine terminal rail investments	\$1,000,000
Martin Luther King Jr. family outreach center expansion	#07.000
project	\$85,000
Mason county Belfair wastewater system rate relief	\$1,500,000
McAllister museum	\$660,000
Mercer arena energy savings & sustainability funding	\$450,000
Mercy housing and health center at Sand Point	\$2,500,000
Meridian center for health	\$2,500,000
Minor Road water reservoir replacement	\$1,500,000
Mountains to Sound Greenway Tiger Mountain access improvements	\$300,000
Mt. Spokane guest services building &	
preservation/maintenance of existing facilities	\$520,000

Mukilteo boys & girls club Mukilteo tank farm clean-up S250,000 New Shoreline medical-dental clinic S1,500,000 Nordic heritage museum S2,000,000 North Kitsap fishline foodbank S625,000 Northwest native canoe center project Oak Harbor clean water facility S2,500,000 Okanogan emergency communications Opera house ADA elevator Orcas Island library expansion PCAF's building for the future PESTALEAN AND A CENTRALIS ASSON, OOO Port of Centralia - Centralia station POT of Centralia - Centralia station PROVAIL TBI residential facility Rockford wastewater treatment Roslyn renaissance-NW improve company bldg renovation project S200,000 Sammamish rowing association boathouse S250,000 S250,000 S2,000 S
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SE 240th St. watermain system improvement project \$700,000
SE Seattle financial & economic opportunity center \$1,500,000
SeaTac international marketplace & transit-oriented
community \$1,250,000
Seattle theatre group \$131,000
Snohomish veterans memorial rebuild \$10,000
Snoqualmie riverfront project \$1,520,000
South 228th street inter-urban trail connector \$500,000

Splash pad/foundation: Centralia outdoor pool restoration	
project	\$200,000
Spokane women's club	\$300,000
Springbrook park neighborhood connection project	\$300,000
SR 532 flood berm and bike/ped path	\$85,000
St. Vincent food bank & community services construction	
project	\$400,000
Stan & Joan cross park	\$750,000
Steilacoom Sentinel Way repairs	\$450,000
Stilly Valley youth project Arlington B&G club	\$2,242,000
Sunset neighborhood park	\$1,750,000
Support, advocacy & resource center for victims of violence	\$750,000
The gathering house job training café	\$14,000
The Salvation Army Clark County: Corps community center	\$1,200,000
Thurston county food bank	\$500,000
Tulalip water pipeline, (final of 8 segments)	\$2,000,000
Twin Bridges museum rehab Lyle Wa	\$64,000
Twisp civic building	\$500,000
Vancouver, Columbia waterfront project	\$2,500,000
Vantage point senior apartments	\$2,000,000
Veterans center	\$500,000
Veterans helping veterans: Emergency transition shelter	\$600,000
Waitsburg Main Street bridge replacement	\$1,700,000
Washington green schools	\$105,000
Washougal roof repair	\$350,000
Water meter and system improvement program	\$500,000
Water reservoir and transmission main	\$500,000
Wayne golf course land preservation	\$500,000
White River restoration project	\$850,000
Willapa behavioral health safety improvement project	\$75,000
WSU LID frontage - local and economic benefits	\$500,000
Yakima children's museum center	\$50,000
Yakima SunDome	\$2,000,000
Yelm community center	\$500,000
Yelm senior center	\$80,000
Youth wellness campus gymnasium renovation	\$1,000,000

Total	\$130,169,000
Appropriation:	
State Building Construction Account—State	. \$130,169,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	. \$130.169.000

${ m \underline{NEW}}$ SECTION. Sec. 1041. FOR THE DEPARTMENT OF COMMERCE

Youth Recreational Facilities Grants (30000185)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1062, chapter 19, Laws of 2013 2nd sp. sess. provided that the "New Life Community Development Agency" project may be combined with the "New Life CDA" project in project number 30000188.

Reappropriation:

State Building Construction Account—State	\$2,568,000
Prior Biennia (Expenditures)	\$1,563,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,131,000

<u>NEW SECTION.</u> Sec. 1042. FOR THE DEPARTMENT OF COMMERCE

Building Communities Fund Grants (30000188)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1072, chapter 19, Laws of 2013 2nd sp. sess. provided that the "New Life CDA" project may be combined with the "New Life Community Development Agency" project in project number 30000185.

Reappropriation:

State Building Construction Account—State	. \$2,692,000
Prior Biennia (Expenditures)	. \$2,587,000
Future Biennia (Projected Costs)	\$0
TOTAL	. \$5,279,000

<u>NEW SECTION.</u> Sec. 1043. FOR THE DEPARTMENT OF COMMERCE

Energy Efficiency Grants for Local Governments (91000241)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 301, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$1,732,000
Prior Biennia (Expenditures)	\$16,268,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$18,000,000

<u>NEW SECTION.</u> Sec. 1044. FOR THE DEPARTMENT OF COMMERCE

Energy Efficiency Grants for Higher Education (91000242)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 307, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$5,077,000
Prior Biennia (Expenditures)	\$14,923,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1045. FOR THE DEPARTMENT OF COMMERCE

Public Works Pre-Construction Loan Program (91000319)

Reappropriation:

Public Works Assistance Account—State	\$767,000
Prior Biennia (Expenditures)	. \$2,233,000
Future Biennia (Projected Costs)	\$0
TOTAL	. \$3,000,000

<u>NEW SECTION.</u> Sec. 1046. FOR THE DEPARTMENT OF COMMERCE

Housing for Families with Children (91000409)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 310, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

11 1	
State Taxable Building Construction Account—State	\$2,472,000
Prior Biennia (Expenditures)	\$5,778,000
Future Biennia (Projected Costs)	
TOTAL	\$8 250 000

${ m \underline{NEW}}$ SECTION. Sec. 1047. FOR THE DEPARTMENT OF COMMERCE

Housing for Seniors and People with Physical Disabilities (91000411)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 311, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	\$4,350,000
Prior Biennia (Expenditures)	\$5,316,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1048. FOR THE DEPARTMENT OF COMMERCE

Housing for People with Chronic Mental Illness (91000412)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1010, chapter 2. Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	\$190,000
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	
TOTAL	\$1 125 000

<u>NEW SECTION.</u> Sec. 1049. FOR THE DEPARTMENT OF COMMERCE

Housing for the Homeless (91000413)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1011, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	\$5,996,000
Prior Biennia (Expenditures)	. \$22,948,000
Future Biennia (Projected Costs)	
TOTAL	

${ m NEW}$ SECTION. Sec. 1050. FOR THE DEPARTMENT OF COMMERCE

Housing for Farmworkers (91000414)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1012, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

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	State Taxable Building Construction Account—State	\$5,160,000
]	Prior Biennia (Expenditures)	\$1,055,000
]	Future Biennia (Projected Costs)	\$0
	TOTAL	\$6.215.000

<u>NEW SECTION.</u> Sec. 1051. FOR THE DEPARTMENT OF COMMERCE

Housing for People At Risk of Homelessness (91000415)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 312, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	\$959,000
Prior Biennia (Expenditures)	\$1,541,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,500,000

${ m \underline{NEW}}$ SECTION. Sec. 1052. FOR THE DEPARTMENT OF COMMERCE

Housing for Low-Income Households (91000416)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1013, chapter 2. Laws of 2012 2nd sp. sess.

	iation:

State Taxable Building Construction Account—State	. \$2,689,000
Prior Biennia (Expenditures)	\$293,000
Future Biennia (Projected Costs)	\$0
TOTAL	. \$2.982.000

<u>NEW SECTION.</u> Sec. 1053. FOR THE DEPARTMENT OF COMMERCE

2012 Local and Community Projects (91000417)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 302, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$1,889,000
Prior Biennia (Expenditures)	\$7,734,000
Future Biennia (Projected Costs)	\$0
TOTAL	

${ m \underline{NEW}}$ SECTION. Sec. 1054. FOR THE DEPARTMENT OF COMMERCE

Local and Community Projects 2012 (91000437)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1003, chapter 2, Laws of 2012 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State \$1,800,000
Prior Biennia (Expenditures)
Future Biennia (Projected Costs)
TOTAL

<u>NEW SECTION.</u> Sec. 1055. FOR THE DEPARTMENT OF COMMERCE

Pacific Medical Center (91000445)

Reappropriation:

State Taxable Building Construction Account—State	. \$2,405,000
State Building Construction Account—State	. \$9,818,000
Subtotal Reappropriation	\$12,223,000

Appropriation:

•	State Taxable Building Construction Account—State	\$6,000,000
	Prior Biennia (Expenditures)	\$7,777,000
	Future Biennia (Projected Costs)	\$0
	TOTAL	26,000,000

 ${
m \underline{NEW}}$ SECTION. Sec. 1056. FOR THE DEPARTMENT OF COMMERCE

Sand Point Building 9 (91000446)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1068, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

11 1	
State Taxable Building Construction Account—State	. \$9,802,000
Prior Biennia (Expenditures)	. \$4,198,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$14 000 000

<u>NEW SECTION.</u> Sec. 1057. FOR THE DEPARTMENT OF COMMERCE

Mental Health Beds (91000447)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1071, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$3,644,000
Prior Biennia (Expenditures)	\$1,356,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

<u>NEW SECTION.</u> Sec. 1058. FOR THE DEPARTMENT OF COMMERCE

Housing for Homeless Veterans (91000455)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1065, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	. \$9,001,000
Prior Biennia (Expenditures)	\$366,000
Future Biennia (Projected Costs)	\$0
TOTAL	. \$9,367,000

${ m NEW}$ SECTION. Sec. 1059. FOR THE DEPARTMENT OF COMMERCE

Housing for Farmworkers (91000457)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1066, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State\$19,72	3,000
Prior Biennia (Expenditures)\$7,32	7,000
Future Biennia (Projected Costs)	\$0
TOTAL	0.000

<u>NEW SECTION.</u> Sec. 1060. FOR THE DEPARTMENT OF COMMERCE

Housing for People with Developmental Disabilities (91000458)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1067, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

State Taxable Building Construction Account—State	. \$6,392,000
Prior Biennia (Expenditures)	. \$2,627,000
Future Biennia (Projected Costs)	\$0
TOTAL	. \$9,019,000

${ m \underline{NEW}}$ SECTION. Sec. 1061. FOR THE DEPARTMENT OF COMMERCE

Housing for People with Chronic Mental Illness (91000459)

Reappropriation:

State Taxable Building Construction Account—State	\$5,735,000
Prior Biennia (Expenditures)	\$329,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$6,064,000

${ m \underline{NEW}}$ SECTION. Sec. 1062. FOR THE DEPARTMENT OF COMMERCE

Public Works Assistance Account Project Backfill (91000581)

Reappropriation:

State Building Construction Account—State	\$3,263,000
Prior Biennia (Expenditures)	. \$154,737,000
Future Biennia (Projected Costs)	\$0
TOTAL	

$\underline{\text{NEW}}$ SECTION. Sec. 1063. FOR THE DEPARTMENT OF COMMERCE

Clean Energy and Energy Freedom Program (91000582)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 1074, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

Energy Recovery Act Account—State	\$4,000,000
State Taxable Building Construction Account—State	\$8,924,000
State Building Construction Account—State	\$19,069,000
Subtotal Reappropriation	\$31,993,000
Prior Biennia (Expenditures)	\$8,007,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1064. FOR THE DEPARTMENT OF COMMERCE

Innovation Partnership Zones - Facilities and Infrastructure (92000089)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 309, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

11 1	
State Building Construction Account—State	. \$3,725,000
Prior Biennia (Expenditures)	. \$9,795,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1065. FOR THE DEPARTMENT OF COMMERCE

Community Economic Revitalization Board Administered Economic Development, Innovation, and Export Grants (92000096)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 304, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$4,267,000
Public Works Assistance Account—State	\$14,595,000
Subtotal Reappropriation	\$18,862,000
Prior Biennia (Expenditures)	\$13,736,000
Future Biennia (Projected Costs)	
TOTAL	

${ m \underline{NEW}}$ SECTION. Sec. 1066. FOR THE DEPARTMENT OF COMMERCE

Main Street Improvement Grants (92000098)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 305, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

Public Works Assistance Account—State	\$355,000
State Building Construction Account—State	\$3,115,000
Subtotal Reappropriation	\$3,470,000
Prior Biennia (Expenditures)	. \$11,380,000
Future Biennia (Projected Costs)	\$0
TOTAL	. \$14,850,000

${ m \underline{NEW}}$ SECTION. Sec. 1067. FOR THE DEPARTMENT OF COMMERCE

Brownfield Redevelopment Grants (92000100)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation in this section is provided solely for redevelopment of the Bellingham waterfront.

Reappropriation:

Local Toxics Control Account—State	. \$1,194,000
Prior Biennia (Expenditures)	\$306,000

Future Biennia (Projected Costs). \$0	
TOTAL\$1,500,000 NEW SECTION. Sec. 1068. FOR THE DEPARTMENT OF COMMERCE Port and Export Related Infrastructure (92000102)	
The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 306, chapter 1, Laws of 2012 2nd sp. sess.	
Reappropriation: State Building Construction Account—State \$13,603,000 Prior Biennia (Expenditures) \$19,547,000 Future Biennia (Projected Costs) \$0 TOTAL \$33,150,000 NEW SECTION. Sec. 1069. FOR THE DEPARTMENT OF	
COMMERCE Projects for Jobs and Economic Development (92000151)	
The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 1077, chapter 19, Laws of 2013 2nd sp. sess.	
Reappropriation:Public Facility Construction Loan Revolving Account—State.\$7,100,000State Building Construction Account—State\$22,256,000Subtotal Reappropriation\$29,356,000Prior Biennia (Expenditures)\$7,753,000Future Biennia (Projected Costs)\$0TOTAL\$37,109,000NEW SECTION Sec. 1070. FOR THE DEPARTMENT OF	

<u>NEW SECTION.</u> Sec. 1070. FOR THE DEPARTMENT OF COMMERCE

Projects that Strengthen Youth and Families (92000227)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1079, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$12,695,000
Prior Biennia (Expenditures)	\$6,982,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1071. FOR THE DEPARTMENT OF COMMERCE

Projects that Strengthen Communities and Quality of Life (92000230)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 1078, chapter 19, Laws of 2013 2nd sp.s. and section 6006 of this act.

Reappropriation:

Environmental Legacy Stewardship Account—State	\$395,000
State Building Construction Account—State	\$22,372,000
Subtotal Reappropriation	\$22,767,000
Prior Biennia (Expenditures)	. \$9,361,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1072. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Appropriations to Public Works Assistance Account for Previously Authorized Loans (92000011)

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 public works assistance account—state. The office of financial management shall consult with the state treasurer's office to determine the timing of the expenditures into the public works assistance account to return it to a positive balance and accommodate authorized expenditures and transfers from the account.

Appropriation:

State Taxable Building Construction Account—State\$11,000,000
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)
TOTAL

<u>NEW SECTION.</u> Sec. 1073. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Cowlitz River Dredging (20082856)

Reappropriation:

State Building Construction Account—State	\$246,000
Prior Biennia (Expenditures)	\$1,254,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,500,000

<u>NEW SECTION.</u> Sec. 1074. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Catastrophic Flood Relief (20084850)

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

- (1) Up to \$26,800,000 of the appropriation is for advancing the long-term strategy for the Chehalis Basin projects to reduce flood damage and restore aquatic species including a programmatic environmental impact statement, data collection, engineering design of future construction projects, feasibility analysis, and engagement of state agencies, tribes, and other parties.
- (2) Up to \$23,200,000 of the appropriation is for construction of local priority flood protection and habitat restoration projects.
- (3) Up to one percent of the appropriation provided in this section may be used by the recreation and conservation office to administer contracts associated with the subprojects funded through this section. Contract administration

includes, but is not limited to: Drafting and amending contracts, reviewing and approving invoices, tracking expenditures, and performing field inspections to assess project status when conducting similar assessments related to other agency contracts in the same geographic area.

Reappropriation:

State Building Construction	Account—State	\$12,484,000
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Appropriation:

State Building Construction Account—State	\$50,000,000
Prior Biennia (Expenditures)	\$25,203,000
Future Biennia (Projected Costs)	\$120,000,000
TOTAL	\$207,687,000

<u>NEW SECTION.</u> Sec. 1075. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Office of Financial Management Capital Budget Staff (30000045)

Appropriation:

State Building Construction Account—State	\$1,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$4,000,000
TOTAL	\$5,000,000

<u>NEW SECTION.</u> Sec. 1076. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Oversight of State Facilities (30000046)

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

- (1) The office of financial management, with assistance from the department of enterprise services and other state agencies as needed, shall conduct space studies and make recommendations to the legislature on the state's space standards including alternative workplace strategies. State agencies shall provide space use data in a format prescribed by the office of financial management to support this effort. The office of financial management shall report the results and recommendations to the legislative fiscal committees by July 1, 2016.
- (2) The office of financial management, with assistance from the department of enterprise services and other state agencies as needed, shall update the lease space requirements to reflect high performance building standards and any other components that may improve the conditions of leased space.

Appropriation:

State Building Construction Account—State	\$1,040,000
Thurston County Capital Facilities Account—State	\$1,120,000
Subtotal Appropriation	\$2,160,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$2,160,000

<u>NEW SECTION.</u> Sec. 1077. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Construction Contingency Pool (90000300)

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

- (1) The appropriation in this section is provided solely for construction projects that confront emergent and unavoidable costs in excess of the construction contingency included in the project appropriation. For requests occurring during a legislative session, an agency must notify the legislative fiscal committees before requesting contingency funds from the office of financial management. Eligible agencies that may apply to the pool include higher education institutions, the department of corrections, the department of social and health services, the department of enterprise services, the criminal justice training commission, the department of veterans affairs, the parks and recreation commission, and the department of fish and wildlife. Eligible construction projects are only projects that had cost reductions as kept on file with the office of financial management. The office of financial management must notify the legislative evaluation and accountability program committee, the house capital budget committee, and senate ways and means committee as projects are approved for funding.
- (2)(a) The legislature intends to use the 1063 Block building development project as a model of efficient space and energy use for both owned and leased state office buildings.
- (b) To achieve this intent, the office of financial management must reconsider tenants for the building, including consideration of the utilities and transportation commission, all current tenants of the general administration building with operations compatible with a high density office building, and other possible tenants. The measure of achieving a higher space efficiency is measured by the average square feet per housed employee.
- (c) The office of financial management must provide a report to the appropriate committees of the legislature on the redesign and the increase space efficiency by October 15, 2015.

Appropriation:

State Building Construction Account—State	\$8,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$8,000,000

<u>NEW SECTION.</u> Sec. 1078. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Emergency Repairs (90000301)

The appropriation in this section is subject to the following conditions and limitations: Emergency repair funding is provided solely to address unexpected building or grounds failures that will impact public health and safety and the day-to-day operations of the facility. To be eligible for funds from the emergency repair pool, an emergency declaration signed by the affected agency director must be submitted to the office of financial management and the appropriate legislative fiscal committees. The emergency declaration must include a

description of the health and safety hazard, the possible cause, the proposed scope of emergency repair work and related cost estimate, and identification of other funding that may be applied to the project. For emergencies occurring during a legislative session, an agency must notify the legislative fiscal committees before requesting emergency funds from the office of financial management. The office of financial management must notify the legislative evaluation and accountability program committee, the house capital budget committee, and senate ways and means committee as emergency projects are approved for funding.

Appropriation:

State Building Construction Account—State	\$5,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

<u>NEW SECTION.</u> Sec. 1079. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Emergency Repair Pool for K-12 Public Schools (90000302)

The appropriation in this section is subject to the following conditions and limitations: Emergency repair funding is provided solely to address unexpected and imminent health and safety hazards at K-12 public schools, including skill centers, that will impact the day-to-day operations of the school facility. To be eligible for funds from the emergency repair pool, an emergency declaration must be signed by the school district board of directors and the superintendent of public instruction, and submitted to the office of financial management for consideration. The emergency declaration must include a description of the imminent health and safety hazard, the possible cause, the proposed scope of emergency repair work and related cost estimate, and identification of local funding to be applied to the project. Grants of emergency repair moneys must be conditioned upon the written commitment and plan of the school district board of directors to repay the grant with any insurance payments or other judgments that may be awarded, if applicable. The office of financial management must notify the legislative evaluation and accountability program committee, the house capital budget committee, and the senate ways and means committee as emergency projects are approved for funding.

Appropriation:

Common School Construction Account—State	\$5,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

<u>NEW SECTION.</u> Sec. 1080. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Chehalis River Basin Flood Relief Projects (91000398)

Reappropriation:

State Building Construction Account—State	\$206,000
Prior Biennia (Expenditures)	\$4,794,000
Future Biennia (Projected Costs)	\$0

<u>NEW SECTION.</u> Sec. 1081. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Higher Education Preservation Information (91000431)

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely to refresh preservation information that reside in the state's comparable framework for higher education buildings including any necessary revisions or adjustments that will enable more direct translation of information, updates for last renewal or replacement or major systems, and quality assurance field sampling. In executing this continued capital study, the office of financial management shall consult the legislative fiscal committees about its workplan to ensure field sampling of facilities prioritized for renovation or replacement, and timely delivery of assembled facilities information and related capital models in an easy to understand format. Prior to submitting any higher education institution renovation or replacement building project for consideration for funding as part of a capital budget request, to the office of financial management or directly to the legislature, colleges and universities must have completed and submitted all necessary information as required by the state facility inventory and condition assessment systems. As a general condition, upon appropriations provided to higher education agencies in this act, the state board for community and technical colleges and each state baccalaureate institution shall provide requested facilities information in a timely manner to enable the office of financial management to complete the tasks and oversight assigned in this section.

Appropriation:

University of Washington Building Account—State \$116,000
Washington State University Building
Account—State\$85,000
Eastern Washington University Capital Projects
Account—State\$21,000
Central Washington University Capital Projects
Account—State\$17,000
The Evergreen State College Capital Projects
Account—State\$12,000
Western Washington University Capital Projects
Account—State\$19,000
Subtotal Appropriation
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)
TOTAL

NEW SECTION. Sec. 1082. FOR THE OFFICE OF FINANCIAL

Construction Contingency Pool (91000428)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1091, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

MANAGEMENT

5 WASHINGTON LAWS, 2015
State Building Construction Account—State \$1,875,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,875,000 NEW SECTION. Sec. 1083. FOR THE OFFICE OF FINANCIAL MANAGEMENT Equipment Benchmarks for Capital Projects Study (92000010)
The appropriation in this section is subject to the following conditions and limitations: The office of financial management shall submit a higher education and skill center capital project equipment cost study to the governor and the appropriate legislative fiscal committees by December 1, 2015. The study must include benchmarks for standard ranges of fixed and nonfixed equipment expenditures in different types of facilities and an examination of alternatives for financing equipment costs where the equipment has a life expectancy that is less than the length of bond financing. The alternative analysis must include a lifecycle cost analysis of the competing alternatives to determine the most cost-effective options to the state bond and general fund budget.
Appropriation: State Building Construction Account—State \$250,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$250,000 NEW SECTION. Sec. 1084. FOR THE OFFICE OF FINANCIAL MANAGEMENT Culverts in Three State Agencies (920000004)
Reappropriation: State Building Construction Account—State \$4,516,000 Prior Biennia (Expenditures) \$2,484,000 Future Biennia (Projected Costs) \$0 TOTAL \$7,000,000 NEW SECTION. Sec. 1085. FOR THE DEPARTMENT OF
ENTERPRISE SERVICES East Plaza - Water Infiltration and Elevator Repairs (30000548)
Reappropriation:State Building Construction Account—State\$500,000Prior Biennia (Expenditures)\$2,603,000Future Biennia (Projected Costs)\$0TOTAL\$3,103,000
NEW SECTION. Sec. 1086. FOR THE DEPARTMENT OF ENTERPRISE SERVICES NRB Garage Fire Suppression System Repairs (30000578)
Reappropriation: State Building Construction Account—State\$500,000 Prior Biennia (Expenditures)\$1,738,000 Future Biennia (Projected Costs)\$0

TOTAL \$2,238,000 NEW SECTION. Sec. 1087. FOR THE DEPARTMENT OF

<u>NEW SECTION.</u> Sec. 1087. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Minor Works Preservation (30000635)

Reappropriation:

State Building Construction Account—State	. \$1,477,000
Thurston County Capital Facilities Account—State	\$501,000
Subtotal Reappropriation	. \$1,978,000
Prior Biennia (Expenditures)	. \$2,050,000
Future Biennia (Projected Costs)	\$0
	\$4 028 000

<u>NEW SECTION.</u> Sec. 1088. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Minor Works Preservation (30000722)

The appropriations in this section are subject to the following conditions and limitations: No minor works funds may be allotted until the action part of the plan is provided. Up to \$300,000 of the appropriation in this section is provided for the department to develop an implementation plan for a capitol campus parking strategy. The action part of the plan must include: (1) During the legislative sessions a reduction of agency reserve stalls from twenty-six percent to fifteen percent as recommended by the 2014 state of Washington parking and transportation study; (2) cost-benefit of incorporating parking attendants or parking arms to accept payment for campus parking during the legislative sessions; (3) installation of at least two electronic boards, or other methods of providing the available parking capacity in the east plaza garage. The department shall work in cooperation with the city of Olympia, and the city may provide a proposal to enforce parking on the capitol campus. The department shall report to all fiscal committees on its progress by November 1, 2015.

Appropriation:

Thurston County Capital Facilities Account—State	\$850,000
State Building Construction Account—State	\$5,608,000
State Vehicle Parking Account—State	\$900,000
Subtotal Appropriation	\$7,358,000
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	
TOTAL	

<u>NEW SECTION.</u> Sec. 1089. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Old Capitol - Exterior and Interior Repairs (30000724)

Appropriation:

I hurston County Capital Facilities Account—State	\$1,000,000
State Building Construction Account—State	\$2,000,000
Subtotal Appropriation	\$3,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1090. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

West Campus Historic Buildings Exterior Preservation (30000727)

Appropriation:

State Building Construction Account—State	\$2,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	\$2,000,000

<u>NEW SECTION.</u> Sec. 1091. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Capitol Campus Heating Systems Repairs - Phase 1 (30000730)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for the department to competitively contract an energy audit on the capitol campus steam system. The audit must consider converting to centralized hot water boilers and using a heat recovery power system.

Appropriation:

Thurston County Capital Facilities Account—State	\$500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	

$\underline{\text{NEW}}$ SECTION. Sec. 1092. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Expansion of Legislative Gift Center (92000014)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for building modifications and space improvements required for the purpose of expanding the retail space allocated to the legislative gift center created in chapter 44.73 RCW in the legislative building. The office of legislative support services, the house of representatives, and the senate shall cooperate to accomplish this expansion within the existing space allocations, up to and including the use of all or part of room 112, on the first floor of the legislative building, no later than October 30, 2015.

Appropriation:

State Building Construction Account—State	\$150,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAI	\$150,000

<u>NEW SECTION.</u> Sec. 1093. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Capitol Campus Critical Network Standardization and Connectivity (30000732)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for installing any remaining building meters as needed on the capitol campus, and providing

building performance data electronically. Dashboard displays must be installed in the three legislative buildings.

Appropriation:

Thurston County Capital Facilities Account—State	\$250,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$250,000

<u>NEW SECTION.</u> Sec. 1094. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Capitol Court Major Exterior and Building Systems Renewal (30000738)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for development of a plan that identifies the existing building deficiencies and recommended project specific improvements with cost estimates to be completed as funding becomes available. Urgent repairs to this building will be prioritized against the other projects in the department of enterprise services' minor works project list.

Appropriation:

Enterprise Services Account—State	\$150,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	. \$1,370,000

$\underline{\text{NEW}}$ SECTION. Sec. 1095. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Capitol Lake Long-term Management Planning (30000740)

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

(1) The appropriation is provided solely to make tangible progress on reaching broad agreement on a long-term plan for the management of Capitol Lake/Deschutes Estuary/Lower Budd Inlet/Deschutes River watershed, building on the recommendations of the 2014 situation assessment for Capitol Lake management prepared by the Ruckleshaus center and prior related reports.

The department shall:

- (a) Identify and summarize the findings of the best available science concerning water quality and habitat as they relate to conceptual options of retaining or removing the dam;
- (b) Identify multiple hybrid options for future management of Capitol Lake, which options must include substantial improvement in fish and wildlife habitat and ecosystem functions, maintaining a historic reflecting pool at the north end of the lake/estuary, and adaptive management strategies;
- (c) Identify general cost estimates for construction and maintenance of each conceptual option, in consultation with the office of financial management;
 - (d) Identify the range of public support for or concerns about each option;
- (e) Identify conceptual options and degree of general support for shared funding by state, local, and federal governments and potentially other entities;
- (f) Identify one or more conceptual options for long-term shared governance of a future management plan, including consideration of an option similar to

state lake management districts, chapter 36.61 RCW or shellfish protection districts, chapter 90.72 RCW.

(g) Engage in other related activities which would contribute to reaching broad agreement on the long-term management plan.

The department shall conduct its information gathering and report preparation with a pro-active approach to public engagement, and may create such advisory entities as it determines would be helpful.

- (2) The department may contract for facilitation, research, or other services to assist in the preparation of this report.
- (3) The department shall make periodic reports to the state capitol committee, the office of financial management, and fiscal committees of the legislature, with a final report to be submitted no later than January 1, 2017. The reports must include visual representations of proposals to aid the public and decision-makers to understand and evaluate them.

Appropriation:

Enterprise Services Account—State	\$250,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$250,000

<u>NEW SECTION.</u> Sec. 1096. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Engineering and Architectural Services: Staffing (30000762)

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

- (1) The appropriations in this section are provided solely for architectural and engineering services to manage public works contracting for all state facilities pursuant to RCW 43.19.450. The service charge is increased from 2.15 percent to 2.27 percent of total project costs to reduce the number of projects assigned to each manager. The intended results of the increased fee are improved accountability, reduced project delays, and reduced the number and cost of change orders. At the end of each fiscal year, the department must report to the office of financial management and the fiscal committees of the legislature on performance improvements resulting from the increased management fee, including the following:
- (a) The number of projects managed by each manager compared to previous biennia;
- (b) Projects that were not completed on schedule and the reasons for delays; and
- (c) The number and cost of the change orders and the reason for each change order.
- (2) The department shall convene a group of private sector architects and contractors with state agency facilities personnel, at a minimum of twice per year, to share at a minimum, information on high performance methods, ideas, operating and maintenance issues, and cost. The facility personnel must be from the community and technical colleges, the four-year institutions of higher education, and any other state agencies that have recently completed a new building or are currently in the construction phase.

(3) The department, with assistance from the capital projects authority review board, shall provide recommendations to the governor, house capital budget committee, and senate ways and means committee, on ways to improve the project delivery methods. It must include, at a minimum, methods to incorporate more architectural and engineering firms and contractors to be eligible for design build projects, and methods for including high performance criteria with incentives for the architectural and engineering firm and contractor to meet the performance measures in design-bid-build project delivery methods.

Appropriation:

State Building Construction Account—State	\$9,800,000
Thurston County Capital Facilities Account—State	\$3,000,000
Charitable, Educational, Penal, and Reformatory	
Institutions Account—State	\$2,000,000
Subtotal Appropriation	514,800,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1097. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Campus Steam System and Chiller Upgrades (91000014)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 1106, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

Thurston County Capital Facilities Account—State	. \$1,074,000
State Building Construction Account—State	. \$1,802,000
Subtotal Reappropriation	. \$2,876,000
Prior Biennia (Expenditures)	. \$1,121,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1098. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Capitol Campus Exterior Lighting Upgrades (30000736)

The appropriation in this section is subject to the following conditions and limitations: The department shall pursue energy services contracts as much as is feasible to provide funding.

Appropriation:

Thurston County Capital Facilities Account—State	\$1,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 1099. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Archives Building and Capitol Court HVAC Upgrades (91000015)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 1107, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$70,000
Prior Biennia (Expenditures)	\$930,000
Future Biennia (Projected Costs)	\$0
TOTAL	. \$1,000,000

<u>NEW SECTION.</u> Sec. 1100. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Capitol Campus Predesign (91000436)

The appropriation in this section is subject to the following conditions and limitations: The department shall develop a predesign that will include at a minimum, uses for the pritchard building and the pro arts site, the general administration building replacement or rehabilitation, and the newhouse building replacement. The predesign must include potential tenants, project costs, and schedules.

Appropriation:

State Building Construction Account—State	\$200,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$200,000

${ m NEW}$ SECTION. Sec. 1101. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

State Capitol Master Plan (30000760)

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

- (1) The appropriation in this section is provided solely for the department to identify potential development sites, and any infrastructure that may be needed for further development.
- (2) The department shall provide a list to all fiscal committees of designated parking areas with: (a) Capitol campus employees; (b) state agency reserve spaces; (c) state agency vehicles; (d) state agency motor pool vehicles; and (e) nonstate agency vehicles. The department shall also provide a prioritized list of parking spaces that ranks campus employees as the highest priority. Other parking locations in Thurston county may also be considered.

Appropriation:

Thurston County Capital Facilities Account—State	\$250,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$250,000

<u>NEW SECTION.</u> Sec. 1102. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

1063 Block Replacement (91000016)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is provided solely for design, redesign, demolition and other costs required for the project to replace the state building on the 1063 block. The building will be alternatively financed as authorized by and subject to the conditions of section 7002 of this act.

Reappropriation:

State Building Construction Account—State	\$8,017,000
Prior Biennia (Expenditures)	\$4,983,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$13,000,000

<u>NEW SECTION.</u> Sec. 1103. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Dolliver - Critical Building Repairs (30000726)

The appropriation in this section is provided solely for development of a plan that identifies the existing building deficiencies and recommended project specific improvements with cost estimates to be completed as funding becomes available. Urgent repairs to this building will be prioritized against the other projects in the department of enterprise services' minor works project list.

Appropriation:

Enterprise Services Account—State	\$50,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$50,000

<u>NEW SECTION.</u> Sec. 1104. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Feasibility Study for Restoring Skylights in Legislative Building (92000010)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for a study to determine the feasibility and requirements of replacing the materials covering the original skylight openings that are located above the house of representatives and senate chambers in the legislative building with safety glass to allow as much natural light as possible into the chambers as originally intended. The study must determine the cost, including the relocation of existing equipment; the impact upon the sound, HVAC system(s) and light levels within each chamber; any other requirements needed to replace the materials with safety glass; and an estimated schedule needed for the work. The replacement glass must be of a quality that will provide for a reasonable assurance of safety in the event of an earthquake.

Appropriation:

State Building Construction Account—State	\$125,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAI	\$125,000

<u>NEW SECTION.</u> Sec. 1105. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Capitol Campus Utility Renewal Plan (92000012)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for assessing the current condition of underground utilities on the Capitol campus and developing a plan of renewal that stages the work so that the systems and segments at highest risk of failure are replaced or repaired in a sequence of work that is the most cost effective. The plan must be submitted to the appropriate committees of the legislature by October 1, 2016.

Appropriation:

State Building Construction Account—State	\$650,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$650,000

<u>NEW SECTION.</u> Sec. 1106. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Capital Furnishings Preservation Committee Projects (92000013)

Appropriation:

State Building Construction Account—State	.\$68,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	.\$68,000

NEW SECTION. Sec. 1107. FOR THE MILITARY DEPARTMENT Pierce County Readiness Center (30000593)

Reappropriation:

, p p = 0 p =	
Military Department Capital Account—State	. \$2,758,000
State Building Construction Account—State	. \$3,269,000
General Fund—Federal	\$24,876,000
Subtotal Reappropriation	\$30,903,000
Prior Biennia (Expenditures)	. \$2,698,000
Future Biennia (Projected Costs)	\$0
TOTAL	

NEW SECTION. Sec. 1108. FOR THE MILITARY DEPARTMENT Thurston County Readiness Center (30000594)

The reappropriation and appropriations in this section are subject to the following conditions and limitations: The legislature intends to support the transfer of the Olympia armory to the Thurston county boys and girls club. The military department must execute an agreement to transfer title of the property to the Thurston county boys and girls club if the club agrees to use the facility as a boys and girls club for a minimum of ten years. The transfer agreement must specify a mutually agreed transfer date following the completion of the Thurston county readiness center. The transfer agreement must require the club to cover any closing costs and must specify a purchase price of one dollar. The agreement

n Se	nust be reported to the house of representatives capital budge enate ways and means committee, and the governor's office by Jar	et committee, nuary 1, 2016.
R	Reappropriation: State Building Construction Account—State	. \$2,750,000
Α	Appropriation: State Building Construction Account—State General Fund—Federal Subtotal Appropriation Prior Biennia (Expenditures) Future Biennia (Projected Costs) TOTAL NEW SECTION. Sec. 1109. FOR THE MILITARY DEPA Minor Works Preservation - 2013-2015 Biennium (30000602)	\$34,207,000 \$42,090,000 \$50,000 \$0 \$44,890,000 RTMENT
R	Reappropriation: State Building Construction Account—State General Fund—Federal Subtotal Reappropriation Prior Biennia (Expenditures) Future Biennia (Projected Costs) TOTAL NEW SECTION. Sec. 1110. FOR THE MILITARY DEPA Minor Works Program - 2013-2015 Biennium (30000605)	. \$1,082,000 . \$1,389,000 . \$3,837,000 . \$2,500,000 . \$7,726,000
R	Reappropriation: General Fund—Federal Prior Biennia (Expenditures) Future Biennia (Projected Costs) TOTAL NEW SECTION. Sec. 1111. FOR THE MILITARY DEPA Minor Works Preservation - 2015-2017 Biennium (30000702)	. \$4,032,000 \$0 \$12,925,000 RTMENT
A	Appropriation: State Building Construction Account—State General Fund—Federal Subtotal Appropriation Prior Biennia (Expenditures) Future Biennia (Projected Costs) TOTAL NEW SECTION. Sec. 1112. FOR THE MILITARY DEPA Minor Works Program - 2015-2017 Biennium (30000744)	. \$7,488,000 \$12,598,000 \$0 \$0 \$12,598,000
A	Appropriation: State Building Construction Account—State General Fund—Federal Subtotal Appropriation Prior Biennia (Expenditures) Future Biennia (Projected Costs)	\$15,953,000 \$21,616,000 \$0

TOTAL
Montesano Readiness Center Roof Replacement and Tenant Improvements
(30000805)
Appropriation:
General Fund—Federal
Subtotal Appropriation
Future Biennia (Projected Costs). \$0
TOTAL
NEW SECTION. Sec. 1114. FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION National Parks Service Maritime Heritage Grants (91000008)
The appropriation in this section is subject to the following conditions and
limitations: (1) \$28,000 of the appropriation is provided solely for the center for wooden
boats' historic small craft project. (2) \$87,000 of the appropriation is provided solely for the Northwest
seaport's preservation of the national historic landmark 1889 tugboat Arthur
Foss.
Appropriation: General Fund—Federal
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs). \$0 TOTAL \$105,000
NEW SECTION. Sec. 1115. FOR THE DEPARTMENT OF
ARCHAEOLOGY AND HISTORIC PRESERVATION Historic County Courthouse Grants Program (30000010)
Appropriation:
State Building Construction Account—State \$2,500,000 Prior Biennia (Expenditures) \$0
Future Biennia (Projected Costs)\$10.400.000
TOTAL
ARCHAEOLOGY AND HISTORIC PRESERVATION Historic Courthouse Preservation Grants (92000001)
Reappropriation: State Puilding Construction Account State \$1,606,000
State Building Construction Account—State \$1,696,000 Prior Biennia (Expenditures) \$304,000
Future Biennia (Projected Costs). \$0 TOTAL \$2,000,000
NEW SECTION. Sec. 1117. FOR THE DEPARTMENT OF
ARCHAEOLOGY AND HISTORIC PRESERVATION Heritage Barn Preservation Program (92000002)

Reappropriation: State Building Construction Account—State \$256,000 Prior Biennia (Expenditures) \$244,000 Future Biennia (Projected Costs) \$0 TOTAL \$500,000 NEW SECTION. Sec. 1118. FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION Acquisition/Rehabilitation of Historic Matsuda and Mukai Sites (91000006)
Appropriation:\$500,000State Building Construction Account—State\$500,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$0TOTAL\$500,000
NEW SECTION. Sec. 1119. FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION Heritage Barn Preservation Program (30000009)
Appropriation:State Building Construction Account—State\$450,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$2,000,000TOTAL\$2,450,000
PART 2 HUMAN SERVICES
NEW SECTION. Sec. 2001. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Naselle Youth Camp - Three Cottages: Renovation (20081222)
AND HEALTH SERVICES
AND HEALTH SERVICES Naselle Youth Camp - Three Cottages: Renovation (20081222) Reappropriation: State Building Construction Account—State \$1,703,000 Prior Biennia (Expenditures) \$197,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,900,000 NEW SECTION. Sec. 2002. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Appropriation: State Building Construction Account—State \$150,000 Prior Biennia (Expenditures). \$0 Future Biennia (Projected Costs). \$10,100,000 TOTAL \$10,250,000 NEW SECTION. Sec. 2004. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Minor Works Preservation Projects: Statewide (91000037)
The appropriation in this section is subject to the following conditions and limitations: Up to \$600,000 may be used for necessary renovations at the Maple Lane facility for the purpose of temporary forensic beds.
Appropriation: State Building Construction Account—State \$10,645,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$10,645,000 NEW SECTION. Sec. 2005. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Fircrest School Electrical Service Rehabilitation (30000415)
The appropriation in this section is provided solely for electrical service rehabilitation and improvements on campus. The department of social and health services will also coordinate with the department of health to install a new and separate electrical service for the public health laboratory.
Appropriation: State Building Construction Account—State \$5,200,000 Prior Biennia (Expenditures). \$0 Future Biennia (Projected Costs). \$0 TOTAL \$5,200,000
NEW SECTION. Sec. 2006. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Minor Works Program Projects: Statewide (30001859)
Appropriation: State Building Construction Account—State \$755,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$20,000,000 TOTAL \$20,755,000 NEW SECTION. Sec. 2007. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Minor Works Preservation Projects: Statewide (30002235)
Reappropriation: State Building Construction Account—State \$4,000,000 Prior Biennia (Expenditures) \$10,155,000 Future Biennia (Projected Costs) \$0 TOTAL \$14,155,000

NEW SECTION. Sec. 2008. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Child Study and Treatment Center-Orcas: Acute Treatment Addition
(30002733)
Appropriation: State Building Construction Account—State \$1,100,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,100,000
NEW SECTION. Sec. 2009. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Western State Hospital - South Hall: Building Systems Replacement
(30002735)
Appropriation: Charitable, Educational, Penal, and Reformatory Institutions Account—State \$4,450,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$4,450,000
NEW SECTION. Sec. 2010. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Fircrest School: Campus Master Plan (30002738)
Appropriation: Charitable, Educational, Penal, and Reformatory Institutions Account—State \$100,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0
TOTAL
Appropriation: State Building Construction Account—State \$1,200,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,200,000
NEW SECTION. Sec. 2012. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Rainier School: Campus Master Plan and Forest Management Plan (30002740)
Appropriation: Charitable, Educational, Penal, and Reformatory Institutions Account—State \$200,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0

TOTAL\$200,000
<u>NEW SECTION.</u> Sec. 2013. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Yakima Valley School - Main Building: Roofing Replacement (30002742)
Appropriation: State Building Construction Account—State \$1,500,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,500,000
NEW SECTION. Sec. 2014. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Green Hill School: New Acute Mental Health Unit (30002745)
Appropriation: State Building Construction Account—State \$4,950,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0
TOTAL
NEW SECTION. Sec. 2015. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Western State Hospital - Forensic Services: Two Wards Addition (30002765)
Appropriation:\$1,800,000State Building Construction Account—State\$1,800,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$20,700,000TOTAL\$22,500,000
NEW SECTION. Sec. 2016. FOR THE DEPARTMENT OF SOCIAL
AND HEALTH SERVICES Western State Hospital - East Campus: Psychiatric Intensive Care Unit and Competency Restoration (30002773)
Appropriation: State Building Construction Account—State \$2,200,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$2,200,000
NEW SECTION. Sec. 2017. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Eastern State Hospital - Water System: Improvements (30003215)
Appropriation: State Building Construction Account—State \$2,115,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$2,115,000
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NEW SECTION. Sec. 2018. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Yakima Valley School: Center for Excellence (30003236)
Appropriation: Charitable, Educational, Penal, and Reformatory Institutions Account—State \$200,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$200,000
NEW SECTION. Sec. 2019. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Western State Hospital - South Hall: Wards Preservation and Renewal (30003240)
Appropriation:\$1,350,000State Building Construction Account—State\$1,350,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$0TOTAL\$1,350,000
NEW SECTION. Sec. 2020. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Western State Hospital - East Campus: Wards Preservation and Renewal (30003241)
Appropriation:
State Building Construction Account—State\$1,600,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$0TOTAL\$1,600,000
Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0
Prior Biennia (Expenditures). \$0 Future Biennia (Projected Costs). \$0 TOTAL. \$1,600,000 NEW SECTION. Sec. 2021. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Western State Hospital - East Campus: Building Systems Replacement
Prior Biennia (Expenditures). \$0 Future Biennia (Projected Costs). \$0 TOTAL. \$1,600,000 NEW SECTION. Sec. 2021. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Western State Hospital - East Campus: Building Systems Replacement (30003244) Appropriation: State Building Construction Account—State \$3,400,000 Prior Biennia (Expenditures). \$0 Future Biennia (Projected Costs). \$0
Prior Biennia (Expenditures). \$0 Future Biennia (Projected Costs). \$0 TOTAL. \$1,600,000 NEW SECTION. Sec. 2021. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Western State Hospital - East Campus: Building Systems Replacement (30003244) Appropriation: State Building Construction Account—State \$3,400,000 Prior Biennia (Expenditures). \$0 Future Biennia (Projected Costs). \$0 TOTAL \$3,400,000 NEW SECTION. Sec. 2022. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES Eastern State Hospital and Western State Hospital - All Wards: Patient

Charitable, Educational, Penal, and Reformatory	
Institutions Account—State	\$2,569,000
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	\$3,180,000
TOTAL	
NEW SECTION. Sec. 2023. FOR THE DEPARTME AND HEALTH SERVICES ESH-15 Bed Addition for Substitute Senate Bill No. 5889	
Appropriation:	
State Building Construction Account—State	\$1,400,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	
NEW SECTION. Sec. 2024. FOR THE DEPARTMEN Newborn Screening Wing Addition (30000301)	T OF HEALTH
Appropriation:	#2.040.000
State Building Construction Account—State	\$3,049,000
Future Biennia (Projected Costs)	\$0
TOTAL	
NEW SECTION. Sec. 2025. FOR THE DEPARTMEN	
Newborn Screening Lab Conversion (30000302)	or mealin
Appropriation:	
State Building Construction Account—State	\$1,141,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	
<u>NEW SECTION.</u> Sec. 2026. FOR THE DEPARTMEN Minor Works - Program (30000315)	T OF HEALTH
Appropriation:	
State Building Construction Account—State	\$322,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	
<u>NEW SECTION.</u> Sec. 2027. FOR THE DEPARTMEN Drinking Water Assistance Program (30000323)	T OF HEALTH
Reappropriation:	
Drinking Water Assistance Account—Federal	\$23,225,000
Prior Biennia (Expenditures)	\$5,5/5,000
Future Biennia (Projected Costs)	\$28,800,000
NEW SECTION. Sec. 2028. FOR THE DEPARTMEN	
Minor Works - Facility Preservation (30000328)	OF HEALIH
Appropriation:	

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State Building Construction Account—State	
Prior Biennia (Expenditures)	\$0
<u>NEW SECTION.</u> Sec. 2029. FOR THE DEPARTMENT Drinking Water Preconstruction Loans (30000334)	OF HEALTH
Appropriation: Drinking Water Assistance Repayment Account—State Prior Biennia (Expenditures) Future Biennia (Projected Costs) TOTAL	\$0
NEW SECTION. Sec. 2030. FOR THE DEPARTMENT Drinking Water Assistance Program (30000336)	
Appropriation:	#22 000 000
Drinking Water Assistance Account—Federal	\$32,000,000
Future Biennia (Projected Costs)	. \$128,000,000
NEW SECTION. Sec. 2031. FOR THE DEPARTMENT Safe Reliable Drinking Water Grants (92000002)	
Reappropriation:	
State Building Construction Account—State	\$10,210,000
Future Biennia (Projected Costs)	\$11,638,000
NEW SECTION. Sec. 2032. FOR THE DEPAI	RTMENT OF
VETERANS AFFAIRS Walla Walla Nursing Facility (20082008)	
Reappropriation:	¢1.4.257.000
State Building Construction Account—State	
Subtotal Reappropriation	
Prior Biennia (Expenditures)	\$2,568,000
Future Biennia (Projected Costs)	\$40,925,000
NEW SECTION. Sec. 2033. FOR THE DEPAI VETERANS AFFAIRS Minor Works Facilities Preservation (30000094)	RTMENT OF
Reappropriation:	
State Building Construction Account—State	
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	

NEW SECTION. Sec. 2034. FOR THE DEPARTMENT OF VETERANS AFFAIRS Feasibility Study/Predesign for Washington Soldiers Home Skilled Nursing Replacement (30000090)
Appropriation: Charitable, Educational, Penal, and Reformatory Institutions Account—State \$125,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$125,000 NEW SECTION. Sec. 2035. FOR THE DEPARTMENT OF VETERANS AFFAIRS Minor Works Facilities Preservation (30000174)
The appropriation in this section is subject to the following conditions and limitations: \$250,000 of the appropriation in this section is provided solely for the restoration and preservation of the Washington soldiers home cemetery.
Appropriation: State Building Construction Account—State \$3,095,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$9,690,000 TOTAL \$12,785,000 NEW SECTION. Sec. 2036. FOR THE DEPARTMENT OF VETERANS AFFAIRS South Central Washington State Veterans Cemetery Feasibility (30000151)
Appropriation: Charitable, Educational, Penal, and Reformatory Institutions Account—State \$100,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$100,000 NEW SECTION. Sec. 2037. FOR THE DEPARTMENT OF VETERANS AFFAIRS
Eastern Washington Cemetery Upgrade (30000152) Appropriation: State Building Construction Account—State .\$270,000 General Fund—Federal .\$2,422,000 Subtotal Appropriation .\$2,692,000 Prior Biennia (Expenditures) .\$0 Future Biennia (Projected Costs) .\$0 TOTAL .\$2,692,000
NEW SECTION. Sec. 2038. FOR THE DEPARTMENT OF CORRECTIONS Monroe Correctional Complex: Close Sewer Lagoon (20082022)

Reappropriation:

State Building Construction Account—State\$214,000Prior Biennia (Expenditures)\$1,177,000Future Biennia (Projected Costs)\$0TOTAL\$1,391,000
NEW SECTION. Sec. 2039. FOR THE DEPARTMENT OF CORRECTIONS Washington Corrections Center: Transformers and Switches (30000143)
Appropriation: State Building Construction Account—State \$150,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$12,699,000 TOTAL \$12,849,000
NEW SECTION. Sec. 2040. FOR THE DEPARTMENT OF
CORRECTIONS Washington Corrections Center: Roof and Equipment Replacement (30000195)
Appropriation: State Building Construction Account—State \$5,658,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$5,658,000
NEW SECTION. Sec. 2041. FOR THE DEPARTMENT OF CORRECTIONS Clallam Bay Corrections Center: MSC and Rec Building Roofs (30000548)
Appropriation: State Building Construction Account—State \$1,808,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,808,000
NEW SECTION. Sec. 2042. FOR THE DEPARTMENT OF CORRECTIONS Monroe Correctional Complex: WSR Replace Fire Alarm System (30000724)
Reappropriation:State Building Construction Account—State\$2,001,000Prior Biennia (Expenditures)\$615,000Future Biennia (Projected Costs)\$0TOTAL\$2,616,000
NEW SECTION. Sec. 2043. FOR THE DEPARTMENT OF CORRECTIONS Airway Heights Corrections Center: Replace Fire Alarm System
(30000725)
Reappropriation: State Building Construction Account—State \$2,007,000 Prior Biennia (Expenditures) \$1,392,000

Future Biennia (Projected Costs)
TOTAL
NEW SECTION. Sec. 2044. FOR THE DEPARTMENT OF
CORRECTIONS Airway Heights Corrections Center: Security Electronics Renovations
(30000726)
Reappropriation:
State Building Construction Account—State \$3,830,000 Prior Biennia (Expenditures) \$1,217,000
Future Biennia (Projected Costs)
TOTAL
<u>NEW SECTION.</u> Sec. 2045. FOR THE DEPARTMENT OF CORRECTIONS
Washington Corrections Center for Women: Replace Fire Alarm System
(30000727)
Reappropriation: State Building Construction Account—State\$950,000
Prior Biennia (Expenditures)
Future Biennia (Projected Costs). \$0 TOTAL. \$2,649,000
NEW SECTION. Sec. 2046. FOR THE DEPARTMENT OF
CORRECTIONS
Monroe Correctional Complex: TRU Support Building Repair Fire Detection System (30000733)
Reappropriation:
0 1 D 1111
State Building Construction Account—State
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,058,000
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,058,000 NEW SECTION Sec. 2047. FOR THE DEPARTMENT OF
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,058,000
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,058,000 NEW SECTION. Sec. 2047. FOR THE DEPARTMENT OF CORRECTIONS Monroe Correctional Complex: TRU Security Video System (30000801) Reappropriation:
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,058,000 NEW SECTION. Sec. 2047. FOR THE DEPARTMENT OF CORRECTIONS Monroe Correctional Complex: TRU Security Video System (30000801) Reappropriation: State Building Construction Account—State \$2,908,000
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,058,000 NEW SECTION. Sec. 2047. FOR THE DEPARTMENT OF CORRECTIONS Monroe Correctional Complex: TRU Security Video System (30000801) Reappropriation:
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,058,000 NEW SECTION. Sec. 2047. FOR THE DEPARTMENT OF CORRECTIONS Monroe Correctional Complex: TRU Security Video System (30000801) Reappropriation: State Building Construction Account—State \$2,908,000 Prior Biennia (Expenditures) \$968,000 Future Biennia (Projected Costs) \$0 TOTAL \$3,876,000
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,058,000 NEW SECTION Sec. 2047. FOR THE DEPARTMENT OF CORRECTIONS Monroe Correctional Complex: TRU Security Video System (30000801) Reappropriation: State Building Construction Account—State \$2,908,000 Prior Biennia (Expenditures) \$968,000 Future Biennia (Projected Costs) \$0 TOTAL \$3,876,000 NEW SECTION. Sec. 2048. FOR THE DEPARTMENT OF
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,058,000 NEW SECTION. Sec. 2047. FOR THE DEPARTMENT OF CORRECTIONS Monroe Correctional Complex: TRU Security Video System (30000801) Reappropriation: State Building Construction Account—State \$2,908,000 Prior Biennia (Expenditures) \$968,000 Future Biennia (Projected Costs) \$0 TOTAL \$3,876,000
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,058,000 NEW SECTION. Sec. 2047. FOR THE DEPARTMENT OF CORRECTIONS Monroe Correctional Complex: TRU Security Video System (30000801) Reappropriation: State Building Construction Account—State \$2,908,000 Prior Biennia (Expenditures) \$968,000 Future Biennia (Projected Costs) \$0 TOTAL \$3,876,000 NEW SECTION. Sec. 2048. FOR THE DEPARTMENT OF CORRECTIONS Washington Corrections Center: Security Video System (30000791) Reappropriation:
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,058,000 NEW SECTION. Sec. 2047. FOR THE DEPARTMENT OF CORRECTIONS Monroe Correctional Complex: TRU Security Video System (30000801) Reappropriation: State Building Construction Account—State \$2,908,000 Prior Biennia (Expenditures) \$968,000 Future Biennia (Projected Costs) \$0 TOTAL \$3,876,000 NEW SECTION. Sec. 2048. FOR THE DEPARTMENT OF CORRECTIONS Washington Corrections Center: Security Video System (30000791) Reappropriation: State Building Construction Account—State \$6,000,000
Prior Biennia (Expenditures) \$808,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,058,000 NEW SECTION. Sec. 2047. FOR THE DEPARTMENT OF CORRECTIONS Monroe Correctional Complex: TRU Security Video System (30000801) Reappropriation: State Building Construction Account—State \$2,908,000 Prior Biennia (Expenditures) \$968,000 Future Biennia (Projected Costs) \$0 TOTAL \$3,876,000 NEW SECTION. Sec. 2048. FOR THE DEPARTMENT OF CORRECTIONS Washington Corrections Center: Security Video System (30000791) Reappropriation:

NEW SECTION. Sec. 2049. FOR THE DEPARTMENT OF CORRECTIONS Monroe Correctional Complex: WSR Security Video System (30000795)
Reappropriation: State Building Construction Account—State \$4,200,000 Prior Biennia (Expenditures). \$1,033,000 Future Biennia (Projected Costs). \$0 TOTAL \$5,233,000 NEW SECTION. Sec. 2050. FOR THE DEPARTMENT OF
Minor Works Preservation (30000734)
Reappropriation:State Building Construction Account—State\$1,500,000Prior Biennia (Expenditures)\$8,600,000Future Biennia (Projected Costs)\$0TOTAL\$10,100,000
NEW SECTION. Sec. 2051. FOR THE DEPARTMENT OF CORRECTIONS Clallam Bay Corrections Center: Security Video System (30000800)
Appropriation: State Building Construction Account—State \$6,038,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$6,038,000
NEW SECTION. Sec. 2052. FOR THE DEPARTMENT OF CORRECTIONS Washington Corrections Center for Women: Security Video System (30000802)
Reappropriation: \$2,917,000 State Building Construction Account—State \$2,917,000 Prior Biennia (Expenditures) \$504,000 Future Biennia (Projected Costs) \$0 TOTAL \$3,421,000 NEW SECTION. Sec. 2053. FOR THE DEPARTMENT OF CORRECTIONS
Monroe Correctional Complex: SOU IMU Security Video (30000803)
Reappropriation:State Building Construction Account—State\$2,000,000Prior Biennia (Expenditures)\$640,000Future Biennia (Projected Costs)\$0TOTAL\$2,640,000
NEW SECTION. Sec. 2054. FOR THE DEPARTMENT OF CORRECTIONS Washington State Penitentiary: Education Building Roof (30000820)

Appropriation: State Building Constru					
Prior Biennia (Expendi Future Biennia (Project TOTAL	ted Costs)				. \$0
NEW SECTION. S CORRECTIONS Monroe Correctional C	Sec. 2055.	FOR	THE	DEPARTMENT	OF
Appropriation: State Building Constru Prior Biennia (Expendi Future Biennia (Project TOTAL	itures) eted Costs)				. \$0 . \$0 0,000
NEW SECTION. S CORRECTIONS Statewide: Minor Work	Sec. 2056.	FOR	THE	DEPARTMENT	OF
Appropriation: State Building Constru Prior Biennia (Expendi Future Biennia (Project TOTAL NEW SECTION. S CORRECTIONS Clallam Bay Correction Road Resurfacing (3000107)	itures) ited Costs) Sec. 2057. ons Center:	FOR	 THE		. \$0 5,000 ,000 OF
Appropriation: State Building Constru Prior Biennia (Expendi Future Biennia (Project TOTAL	itures) eted Costs)			\$1,500	. \$0 . \$0 0,000
Washington State Penit Appropriation:	tentiary: Pro	gram and S	Suppor	t Building (300011	01)
State Building Constru Prior Biennia (Expendi Future Biennia (Project TOTAL	itures) ted Costs)				. \$0 4,000
NEW SECTION S CORRECTIONS Prison Capacity Expan	asion (30001	105)			
The appropriation in the	his section is	subject to	the fo	allowing conditions	bne

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

(1) The department shall research best practices for treatment of mental illness for offenders, and design and construct the facility to provide this

treatment. The department shall also include costs for continuing mental health supervision with community supervision in the predesign. The department may assign minimum security offenders for maintenance or other activities as needed.

- (2) The department shall report to the senate ways and means committee, the house of representatives capital budget committee, and the governor's office options on methods of converting existing minimum security housing units to medium security housing units. The report must contain methods, construction cost estimates, length of time to complete, facility locations where this is feasible, and changes to capacity.
- (3) The department, in cooperation with the department of social and health services, shall report to the senate ways and means committee, the house of representatives capital budget committee, and the governor's office, options for including juveniles diagnosed with a mental illness that are housed at a juvenile rehabilitation facility at the maple lane facility. The report must include cost benefits, added construction costs, and any changes required in state or federal law.

Approp	riation.
Δ	niauon.

State Building Construction Account—State	\$4,800,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$184,000,000
TOTAL	\$188,800,000

<u>NEW SECTION.</u> Sec. 2060. FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

Omnibus Minor Works (30000017)

Appropriation:

r - r - m - m - m - m - m - m - m - m -	
State Building Construction Account—State	\$456,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	\$456,000

PART 3 NATURAL RESOURCES

<u>NEW SECTION.</u> Sec. 3001. FOR THE DEPARTMENT OF ECOLOGY

Water Supply Facilities (19742006)

Reappropriation:

State and Local Improvements Revolving Account (Water	
Supply Facilities)—State	\$345,000
Prior Biennia (Expenditures)	\$20,205,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 3002. FOR THE DEPARTMENT OF ECOLOGY

Low-Level Nuclear Waste Disposal Trench Closure (19972012)

The appropriations in this section are subject to the following conditions and limitations: The department of ecology and department of health shall work with the Yakama nation to engage a third party to evaluate the specific technical concerns the tribe has identified with respect to the timing of the phase 1 cover. Funds may not be expended to place a cover over the trenches which are releasing or are projected to release contaminants until the third party review is completed and collaboratively resolved. A report on the above referenced work, including recommendations and the means for meeting health and cancer risks, must be delivered to the appropriate committees of the legislature by December 1, 2015.

Reappropriation: Site Closure Account—State
Appropriation:Site Closure Account—State\$3,675,000Prior Biennia (Expenditures)\$4,516,000Future Biennia (Projected Costs)\$0TOTAL\$19,108,000
NEW SECTION. Sec. 3003. FOR THE DEPARTMENT OF ECOLOGY Twin Lake Aquifer Recharge Project (20042951)
Reappropriation:State Building Construction Account—State\$156,000Prior Biennia (Expenditures)\$594,000Future Biennia (Projected Costs)\$0TOTAL\$750,000
NEW SECTION. Sec. 3004. FOR THE DEPARTMENT OF ECOLOGY Water Supply Facilities (20044006)
Reappropriation: State and Local Improvements Revolving Account (Water Supply Facilities)—State
TOTAL \$13,518,000 NEW SECTION. Sec. 3005. FOR THE DEPARTMENT OF ECOLOGY Quad Cities Water Right Mitigation (20052852)
Reappropriation:State Building Construction Account—State\$421,000Prior Biennia (Expenditures)\$1,179,000Future Biennia (Projected Costs)\$0TOTAL\$1,600,000
NEW SECTION. Sec. 3006. FOR THE DEPARTMENT OF ECOLOGY Watershed Plan Implementation and Flow Achievement (20062003)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions in section 136, chapter 371, Laws of 2006. Reappropriation: NEW SECTION. Sec. 3007. FOR THE DEPARTMENT OF **ECOLOGY** Columbia River Basin Water Supply Development Program (20062950) The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 3008, chapter 49, Laws of 2011 1st sp. sess. Reappropriation: Columbia River Basin Taxable Bond Water Supply Columbia River Basin Water Supply Development Account— Future Biennia (Projected Costs).....\$0 NEW SECTION. Sec. 3008. FOR THE DEPARTMENT OF Transfer of Water Rights for Cabin Owners (20081951) Reappropriation: Prior Biennia (Expenditures).....\$289,000 Future Biennia (Projected Costs).....\$0 NEW SECTION. Sec. 3009. FOR THE DEPARTMENT OF **ECOLOGY** Remedial Action Grants (20084008) Reappropriation: State Building Construction Account—State \$11,754,000 Future Biennia (Projected Costs).....\$0

Reappropriation:

Centennial Clean Water Program (20084010)

ECOLOGY

State Building Construction Account—State\$221,000

NEW SECTION. Sec. 3010. FOR THE DEPARTMENT OF

Water Quality Capital Account—State \$43,000 State Toxics Control Account—State \$570,000 Subtotal Reappropriation \$834,000 Prior Biennia (Expenditures) \$66,036,000 Future Biennia (Projected Costs) \$0 TOTAL \$66,870,000 NEW SECTION Sec. 3011. FOR THE DEPARTMENT OF
NEW SECTION. Sec. 3011. FOR THE DEPARTMENT OF ECOLOGY Water Pollution Control Loan Program (20084011)
Reappropriation: Water Pollution Control Revolving Account—State. \$14,581,000 Prior Biennia (Expenditures). \$125,419,000 Future Biennia (Projected Costs). \$0 TOTAL \$140,000,000 NEW SECTION. Sec. 3012. FOR THE DEPARTMENT OF
NEW SECTION. Sec. 3012. FOR THE DEPARTMENT OF ECOLOGY Yakima River Basin Water Storage Feasibility Study (20084026)
The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions in section 3035, chapter 497, Laws of 2009.
Reappropriation:State Building Construction Account—State\$82,000Prior Biennia (Expenditures)\$5,168,000Future Biennia (Projected Costs)\$0TOTAL\$5,250,000NEW SECTIONSec. 3013. FOR THE DEPARTMENT OF
ECOLOGY Watershed Plan Implementation and Flow Achievement (20084029)
The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions in section 3054, chapter 520, Laws of 2007.
Reappropriation: State Building Construction Account—State \$1,456,000 Prior Biennia (Expenditures) \$12,544,000 Future Biennia (Projected Costs) \$0 TOTAL \$14,000,000 NEW SECTION. Sec. 3014. FOR THE DEPARTMENT OF ECOLOGY Water Pollution Control Revolving Fund Program (30000007)
Reappropriation: Water Pollution Control Revolving Account—Federal ARRA

Prior Biennia (Expenditures) \$173,964,000 Future Biennia (Projected Costs) \$0
TOTAL
NEW SECTION. Sec. 3015. FOR THE DEPARTMENT OF ECOLOGY Centennial Clean Water Program (30000008)
Reappropriation:State Building Construction Account—State\$3,838,000Prior Biennia (Expenditures)\$26,162,000Future Biennia (Projected Costs)\$0TOTAL\$30,000,000
NEW SECTION. Sec. 3016. FOR THE DEPARTMENT OF ECOLOGY Watershed Plan Implementation and Flow Achievement (30000028)
Reappropriation:State Building Construction Account—State\$715,000Prior Biennia (Expenditures)\$5,285,000Future Biennia (Projected Costs)\$0TOTAL\$6,000,000
NEW SECTION. Sec. 3017. FOR THE DEPARTMENT OF ECOLOGY Kittitas Groundwater Study (30000029)
The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions in section 3001, chapter 36, Laws of 2010 1st sp. sess.
Reappropriation: State and Local Improvements Revolving Account (Water Supply Facilities)—State
NEW SECTION. Sec. 3018. FOR THE DEPARTMENT OF ECOLOGY Remedial Action Grant Program (30000039)
The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 3006, chapter 36, Laws of 2010 1st sp. sess.
Reappropriation:State Building Construction Account—State\$1,327,000Local Toxics Control Account—State\$9,165,000Subtotal Reappropriation\$10,492,000Prior Biennia (Expenditures)\$65,419,000Future Biennia (Projected Costs)\$0TOTAL\$75,911,000

$\underline{\text{NEW}}$ SECTION. Sec. 3019. FOR THE DEPARTMENT OF ECOLOGY

Water Pollution Control Revolving Fund Program (30000142)

Reappropriati	on:

Water Pollution Control Revolving Account—Federal	\$1,792,000
Water Pollution Control Revolving Account—State	\$21,050,000
Subtotal Reappropriation	\$22,842,000
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	\$0
TOTAL	

${ m \underline{NEW}}$ SECTION. Sec. 3020. FOR THE DEPARTMENT OF ECOLOGY

Clean Up Toxics Sites - Puget Sound (30000144)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 3021, chapter 48, Laws of 2011 1st sp. sess.

Reappropriation:

\$1,959,000
\$3,666,000
\$5,625,000
. \$35,573,000
\$0
. \$41,198,000

<u>NEW SECTION.</u> Sec. 3021. FOR THE DEPARTMENT OF ECOLOGY

Settlement Funding to Clean Up Toxic Sites (30000145)

Reappropriation:

Cleanup Settlement Account—State	\$185,000
Prior Biennia (Expenditures)	\$8,315,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$8,500,000

<u>NEW SECTION.</u> Sec. 3022. FOR THE DEPARTMENT OF ECOLOGY

Centennial Clean Water Program (30000208)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3024, chapter 48, Laws of 2011 1st sp. sess.

Reappropriation:

State Toxics Control Account—State	\$12,341,000
Prior Biennia (Expenditures)	\$21,759,000
Future Biennia (Projected Costs)	\$0
TOTAL	

 $\underline{\text{NEW}}$ SECTION. Sec. 3023. FOR THE DEPARTMENT OF ECOLOGY

Water Pollution Control Revolving Fund Program (30000209)

8
Reappropriation: Water Pollution Control Revolving Account—Federal. \$51,095,000 Water Pollution Control Revolving Account—State. \$85,631,000 Subtotal Reappropriation \$136,726,000 Prior Biennia (Expenditures). \$55,418,000 Future Biennia (Projected Costs). \$0 TOTAL \$192,144,000 NEW SECTION. Sec. 3024. FOR THE DEPARTMENT OF ECOLOGY Watershed Plan Implementation and Flow Achievement (30000213)
watershed I fan implementation and I fow Aemevement (50000213)
The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3030, chapter 49, Laws of 2011 1st sp. sess.
Reappropriation:
State Building Construction Account—State\$2,254,000Prior Biennia (Expenditures)\$5,746,000Future Biennia (Projected Costs)\$0TOTAL\$8,000,000
NEW SECTION. Sec. 3025. FOR THE DEPARTMENT OF
ECOLOGY Remedial Action Grant Program (30000216)
Dannamistian
Reappropriation:Local Toxics Control Account—State\$32,216,000Prior Biennia (Expenditures)\$31,618,000Future Biennia (Projected Costs)\$0TOTAL\$63,834,000
NEW SECTION Sec. 3026. FOR THE DEPARTMENT OF
ECOLOGY Eastern Washington Clean Sites Initiative (30000217)
Reappropriation:
State Toxics Control Account—State \$2,117,000 Prior Biennia (Expenditures) \$3,883,000 Future Biennia (Projected Costs) \$0 TOTAL \$6,000,000
NEW SECTION. Sec. 3027. FOR THE DEPARTMENT OF
ECOLOGY Safe Soils Remediation Program - Central Washington (30000263)
Reappropriation:
State Toxics Control Account—State\$682,000
Prior Biennia (Expenditures). \$3,029,000
Future Biennia (Projected Costs)
TOTAL

NEW SECTION. Sec. 3028. FOR THE DEPARTMENT OF ECOLOGY Clean Up Toxics Sites - Puget Sound (30000265)
Reappropriation:State Toxics Control Account—State\$1,896,000Prior Biennia (Expenditures)\$14,504,000Future Biennia (Projected Costs)\$0TOTAL\$16,400,000
NEW SECTION. Sec. 3029. FOR THE DEPARTMENT OF ECOLOGY Yakima Basin Integrated Water Management Plan Implementation (30000278)
Reappropriation: State Building Construction Account—State\$208,000 Prior Biennia (Expenditures)\$1,792,000 Future Biennia (Projected Costs)\$0 TOTAL\$2,000,000
NEW SECTION. Sec. 3030. FOR THE DEPARTMENT OF ECOLOGY ASARCO - Tacoma Smelter Plume and Mines (30000280)
Reappropriation: Cleanup Settlement Account—State \$6,841,000 Prior Biennia (Expenditures) \$13,806,000 Future Biennia (Projected Costs) \$0 TOTAL \$20,647,000
NEW SECTION. Sec. 3031. FOR THE DEPARTMENT OF ECOLOGY Padilla Bay Federal Capital Projects (30000282)
Reappropriation: General Fund—Federal \$791,000 Prior Biennia (Expenditures) \$9,000 Future Biennia (Projected Costs) \$0 TOTAL \$800,000
NEW SECTION. Sec. 3032. FOR THE DEPARTMENT OF ECOLOGY Coastal Wetlands Federal Funds Administration (30000283)
Reappropriation: General Fund—Federal \$10,695,000 Prior Biennia (Expenditures) \$12,505,000 Future Biennia (Projected Costs) \$0 TOTAL \$23,200,000
NEW SECTION. Sec. 3033. FOR THE DEPARTMENT OF ECOLOGY Statewide Storm Water Projects (30000294)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3041, chapter 4, Laws of $2011\ 1$ st sp. sess.

Reappropriation: Local Toxics Control Account—State. \$14,411,000 Prior Biennia (Expenditures). \$15,589,000 Future Biennia (Projected Costs). \$0
TOTAL \$30,000,000 NEW SECTION. Sec. 3034. FOR THE DEPARTMENT OF ECOLOGY Waste Tire Pile Cleanup and Prevention (30000322)
Reappropriation:Waste Tire Removal Account—State\$388,000Prior Biennia (Expenditures)\$612,000Future Biennia (Projected Costs)\$0TOTAL\$1,000,000
NEW SECTION. Sec. 3035. FOR THE DEPARTMENT OF ECOLOGY Mercury Switch Removal (30000323)
Reappropriation: State Toxics Control Account—State \$365,000 Prior Biennia (Expenditures) \$135,000 Future Biennia (Projected Costs) \$0 TOTAL \$500,000 NEW SECTION. Sec. 3036. FOR THE DEPARTMENT OF ECOLOGY Reducing Toxic Diesel Emissions (30000324)
Reappropriation:State Toxics Control Account—State\$2,380,000Prior Biennia (Expenditures)\$2,120,000Future Biennia (Projected Costs)\$0TOTAL\$4,500,000
NEW SECTION. Sec. 3037. FOR THE DEPARTMENT OF ECOLOGY Reducing Toxic Wood Stove Emissions (30000325)
Reappropriation:State Toxics Control Account—State\$2,180,000Prior Biennia (Expenditures)\$1,820,000Future Biennia (Projected Costs)\$0TOTAL\$4,000,000
NEW SECTION. Sec. 3038. FOR THE DEPARTMENT OF ECOLOGY Centennial Clean Water Program (30000326)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3066, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:	
Environmental Legacy Stewardship Account—State	\$36,634,000
Prior Biennia (Expenditures)	\$13,366,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$50,000,000
NEW SECTION. Sec. 3039. FOR THE DEPART	MENT OF
FCOLOGY	

Water Pollution Control Revolving Program (30000327)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 3067, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

appropriation.	
Water Pollution Control Revolving Account—Federal	
Water Pollution Control Revolving Account—State	\$184,110,000
Subtotal Reappropriation	\$234,110,000
Prior Biennia (Expenditures)	. \$15,890,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 3040. FOR THE DEPARTMENT OF ECOLOGY

Coastal Wetlands Federal Funds (30000328)

Reappropriation:

General Fund—Federal	. \$9,800,000
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 3041. FOR THE DEPARTMENT OF ECOLOGY

Watershed Plan Implementation and Flow Achievement (30000331)

Reappropriation:

State Building Construction Account—State	. \$8,695,000
Prior Biennia (Expenditures)	. \$1,305,000
Future Biennia (Projected Costs)	\$0
TOTAL	

$\underline{\text{NEW}}$ SECTION. Sec. 3042. FOR THE DEPARTMENT OF ECOLOGY

Sunnyside Valley Irrigation District Water Conservation (30000332)

Reappropriation:

State Building Construction Account—State	\$3,048,000
Prior Biennia (Expenditures)	\$7,000
Future Biennia (Projected Costs)	\$0

TOTAL \$2.055,000
TOTAL \$3,055,000 <u>NEW SECTION</u> Sec. 3043. FOR THE DEPARTMENT OF
ECOLOGY Dungeness Water Supply and Mitigation (30000333)
The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions in section 3082, chapter 19, Laws of 2013 2nd sp. sess.
Reappropriation:State Building Construction Account—State\$2,003,000Prior Biennia (Expenditures)\$47,000Future Biennia (Projected Costs)\$0TOTAL\$2,050,000
NEW SECTION. Sec. 3044. FOR THE DEPARTMENT OF ECOLOGY ASARCO Cleanup (30000334)
The appropriation and reappropriations in this section are subject to the following conditions and limitations: Up to \$400,000 of the reappropriation in this section is provided solely for the department to contract, after a competitive bidding process, for the clean up and remediation of the former Ruston Way tunnel.
Reappropriation: State Building Construction Account—State
ECOLOGY Padilla Bay Federal Capital Projects - Programmatic (30000335)
Reappropriation:General Fund—Federal\$500,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$0TOTAL\$500,000
NEW SECTION. Sec. 3046. FOR THE DEPARTMENT OF ECOLOGY Clean Up Toxics Sites - Puget Sound (30000337)
Reappropriation: Environmental Legacy Stewardship Account—State \$19,100,000 Prior Biennia (Expenditures) \$12,400,000 Future Biennia (Projected Costs) \$0

TOTAL
Reappropriation: Environmental Legacy Stewardship Account—State \$6,735,000 Prior Biennia (Expenditures) \$3,565,000 Future Biennia (Projected Costs) \$0 TOTAL \$10,300,000
NEW SECTION. Sec. 3048. FOR THE DEPARTMENT OF ECOLOGY Columbia River Water Supply Development Program (30000372)
Reappropriation: Columbia River Basin Water Supply Development Account— State . \$16,052,000 Columbia River Basin Taxable Bond Water Supply Development Account—State \$28,113,000 Subtotal Reappropriation \$44,165,000 Prior Biennia (Expenditures) \$30,335,000 Future Biennia (Projected Costs) \$0 TOTAL \$74,500,000
NEW SECTION. Sec. 3049. FOR THE DEPARTMENT OF ECOLOGY
Local Toxics Grants for Cleanup and Prevention (20064008)
Local Toxics Grants for Cleanup and Prevention (20064008) Reappropriation: State Building Construction Account—State \$8,296,000 Prior Biennia (Expenditures) \$90,604,000 Future Biennia (Projected Costs) \$0
Local Toxics Grants for Cleanup and Prevention (20064008) Reappropriation: State Building Construction Account—State
Local Toxics Grants for Cleanup and Prevention (20064008) Reappropriation: State Building Construction Account—State \$8,296,000 Prior Biennia (Expenditures) \$90,604,000 Future Biennia (Projected Costs) \$0 TOTAL \$98,900,000 NEW SECTION Sec. 3050. FOR THE DEPARTMENT OF ECOLOGY Yakima River Basin Water Supply (30000373) Reappropriation: State Building Construction Account—State \$12,162,000 Prior Biennia (Expenditures) \$19,938,000 Future Biennia (Projected Costs) \$0 TOTAL \$32,100,000
Local Toxics Grants for Cleanup and Prevention (20064008) Reappropriation: State Building Construction Account—State \$8,296,000 Prior Biennia (Expenditures) \$90,604,000 Future Biennia (Projected Costs) \$0 TOTAL \$98,900,000 NEW SECTION. Sec. 3050. FOR THE DEPARTMENT OF ECOLOGY Yakima River Basin Water Supply (30000373) Reappropriation: State Building Construction Account—State \$12,162,000 Prior Biennia (Expenditures) \$19,938,000 Future Biennia (Projected Costs) \$0

<u>NEW SECTION.</u> Sec. 3052. FOR THE DEPARTMENT OF ECOLOGY

Water Irrigation Efficiencies Program (30000389)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3080, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$3,804,000
Prior Biennia (Expenditures)	\$196,000
Future Biennia (Projected Costs)	\$0
TOTAL	

$\underline{\text{NEW}}$ SECTION. Sec. 3053. FOR THE DEPARTMENT OF ECOLOGY

Coordinated Prevention Grants (CPG) (30000426)

Appropriation:

State Building Construction Account—State	\$15,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	\$135,000,000

<u>NEW SECTION.</u> Sec. 3054. FOR THE DEPARTMENT OF ECOLOGY

Centennial Clean Water Program (30000427)

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

- (1) For projects involving repair, replacement, or improvement of a wastewater treatment plant or other public works facility for which an investment grade efficiency audit is obtainable, the department of ecology must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its centennial clean water program grant.
- (2) The agency must encourage local government use of federally funded water pollution control infrastructure programs operated by the United States department of agriculture rural development.

Appropriation:

State Building Construction Account—State	. \$10,000,000
Local Toxics Control Account—State	. \$10,000,000
Subtotal Appropriation	. \$20,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$160,000,000
TOTAL	

<u>NEW SECTION.</u> Sec. 3055. FOR THE DEPARTMENT OF ECOLOGY

Reducing Toxic Diesel Emissions (30000428)

State Toxics Control Account—State\$1,000,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$8,000,000TOTAL\$9,000,000
NEW SECTION. Sec. 3056. FOR THE DEPARTMENT OF ECOLOGY Reducing Toxic Woodstove Emissions (30000429)
Appropriation: State Toxics Control Account—State \$2,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$8,000,000 TOTAL \$10,000,000
NEW SECTION. Sec. 3057. FOR THE DEPARTMENT OF ECOLOGY Waste Tire Pile Cleanup and Prevention (30000431)
Appropriation: Waste Tire Removal Account—State \$1,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$4,000,000 TOTAL \$5,000,000 NEW SECTION. Sec. 3058. FOR THE DEPARTMENT OF ECOLOGY Eastern Washington Clean Sites Initiative (30000432)
Appropriation: State Toxics Control Account—State
Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$13,772,000 TOTAL \$24,772,000
Future Biennia (Projected Costs). \$13,772,000 TOTAL. \$24,772,000 NEW SECTION. Sec. 3059. FOR THE DEPARTMENT OF ECOLOGY
Future Biennia (Projected Costs). \$13,772,000 TOTAL \$24,772,000 NEW SECTION. Sec. 3059. FOR THE DEPARTMENT OF ECOLOGY Remedial Action Grants (30000458) Appropriation: Local Toxics Control Account—State \$65,050,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs). \$300,000,000

<u>NEW SECTION.</u> Sec. 3061. FOR THE DEPARTMENT OF ECOLOGY

Water Pollution Control Revolving Program (30000534)

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

- (1) \$12,000,000 of the water pollution control revolving account—state is provided solely as state match for federal clean water funds.
- (2) For projects involving repair, replacement, or improvement of a wastewater treatment plant or other public works facility for which an investment grade efficiency audit is obtainable, the department of ecology must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its water pollution control program loan.
- (3) The agency must encourage local government use of federally funded water pollution control infrastructure programs operated by the United States department of agriculture rural development.

Appropriation:

Water Pollution Control Revolving Account—Federal \$50,000,000
Water Pollution Control Revolving Account—State\$153,000,000
Subtotal Appropriation
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)
TOTAL\$1.003.000.000

<u>NEW SECTION.</u> Sec. 3062. FOR THE DEPARTMENT OF ECOLOGY

Storm Water Financial Assistance Program (30000535)

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

- (1) The appropriations are provided solely for the storm water financial assistance program.
- (2) \$981,000 of the appropriation is provided solely for the Washington State University LID frontage water quality project.

Appropriation:

Local Toxics Control Account—State\$33,000,000
State Building Construction Account—State\$20,000,000
Subtotal Appropriation
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)\$280,000,000
TOTAL

${ m \underline{NEW}}$ SECTION. Sec. 3063. FOR THE DEPARTMENT OF ECOLOGY

Coastal Wetlands Federal Funds (30000536)

General Fund—Federal	\$10,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	

TOTAL
NEW SECTION. Sec. 3064. FOR THE DEPARTMENT OF ECOLOGY Floodplains by Design (30000537)
Appropriation: State Building Construction Account—State \$35,560,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$92,000,000 TOTAL \$127,560,000
NEW SECTION. Sec. 3065. FOR THE DEPARTMENT OF ECOLOGY ASARCO Cleanup (30000538)
Appropriation: Cleanup Settlement Account—State \$12,146,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$67,900,000 TOTAL \$80,046,000
NEW SECTION. Sec. 3066. FOR THE DEPARTMENT OF ECOLOGY Cleanup Toxics Sites - Puget Sound (30000542)
Appropriation: State Toxics Control Account—State \$22,550,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$72,763,000 TOTAL \$95,313,000
<u>NEW SECTION.</u> Sec. 3067. FOR THE DEPARTMENT OF ECOLOGY

Water Irrigation Efficiencies Program (30000587)

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

- (1) The appropriation is provided solely for technical assistance and grants to conservation districts for the purpose of implementing water conservation measures and irrigation efficiencies. The department of ecology and the state conservation commission shall give preference in order of priority to projects located in the 16 fish critical basins, other water short basins, and basins with significant water resource and instream flow problems. Projects that are not within basins as described in this subsection are also eligible to receive funding.
- (2) Conservation districts statewide are eligible for grants listed in subsection (1) of this section. A conservation district receiving funds shall manage each grant to ensure that a portion of the water saved by the water conservation measure or irrigation efficiency will be placed as a purchase or a lease in the trust water rights program to enhance instream flows. The proportion of saved water placed in the trust water rights program must be equal to the percentage of the public investment in the conservation measure or irrigation efficiency. The percentage of the public investment may not exceed eighty-five percent of the total cost of the conservation measure or irrigation efficiency.

(3) Up to \$300,000 of the appropriation in this section may be allocated for the purchase and installation of flow meters that are implemented in cooperation with the Washington State Department of Fish and Wildlife fish screening program authorized under RCW 77.57.070.

Appropriation:

State Building Construction Account—State	\$4,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$16,000,000
TOTAL	\$20,000,000

$\underline{\text{NEW}}$ SECTION. Sec. 3068. FOR THE DEPARTMENT OF ECOLOGY

Columbia River Water Supply Development Program (30000588)

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

- (1) \$2,000,000 of the Columbia River basin water supply development account—state is provided solely for the Sullivan Lake water supply project to replace funds that were diverted to fund repairs to the Moses Lake irrigation and reclamation district dam.
- (2) The balance of the appropriations are provided solely for: Coordinated water conservation plan projects; Walla Walla integrated planning; Icicle Creek integrated planning; new water supply projects; the Methow Valley irrigation district instream flow improvement project; the port of Walla Walla water leasing project; the 2016 water supply and demand forecast; Columbia River off-channel storage feasibility project development; the HHH Switzler storage project environmental impact statement; water acquisitions; the Stemilt WRIA 40A storage study; office of Columbia River staffing costs; department of fish and wildlife support; a water service contract with the United States bureau of reclamation to provide water from Lake Roosevelt to end users; and other projects under the Columbia River water supply development program.
- (3) In any future requests for project funding under the Columbia River water supply development program, the department must prepare and submit with the budget request an analysis that estimates the total costs of developing and delivering water through the project. For each project, the department must:
 - (a) Identify the project beneficiaries;
- (b) Estimate the project timeline, from feasibility through water development and delivery;
- (c) Delineate the total estimated public and private costs and fund sources for developing the water; and
- (d) Delineate the total estimated public and private costs and fund sources for delivering the water.
- (4) The department must prepare and submit the same analysis as required in subsection (3) of this section for existing water development projects, including those in the feasibility phase.

Columbia River Basin Water Supply Revenue Recovery	
Account—State	\$2,200,000
Columbia River Basin Water Supply Development Account—	

State					\$16,800	,000
Subtotal Appropriatio	n				\$19,000	,000
Prior Biennia (Expenditure	es)					. \$0
Future Biennia (Projected	Costs)				\$19,761	,000
TOTAL					\$38,761	,000
NEW SECTION. Sec.	3069.	FOR	THE	DEPART	MENT	OF
ECOLOGY						

Sunnyside Valley Irrigation District Water Conservation (30000589)

Appropriation:

State Building Construction Account—State	\$3,055,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$15,600,000
TOTAL	\$18,655,000

$\underline{\text{NEW}}$ SECTION. Sec. 3070. FOR THE DEPARTMENT OF ECOLOGY

Yakima River Basin Water Supply (30000590)

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

- (1) The appropriations in this section are provided solely for: Tributary/mainstem enhancement and watershed acquisitions; fish passage projects at the Cle Elum, Keechelus, Kachess, and Tieton reservoirs; the Keechelus to Kachess pipeline; the Cle Elum pool raise and Kachess reservoir drought relief pumping plant projects; selected aquifer storage and recovery projects; agricultural and municipal conservation projects; water bank and exchange programs; and other projects under the Yakima integrated plan.
- (2)(a) The legislature finds that it is important to apportion financial responsibility for the substantial capital projects proposed under the Yakima River basin integrated plan consistent with RCW 90.38.120 which directs that "at least one-half of the total costs to finance the implementation of the [Yakima] integrated plan... be funded through federal, private, and other nonstate sources, including a significant contribution of funding from local project beneficiaries."
- (b) By December 15, 2015, the department must prepare and submit a report to the legislature estimating the cost per acre of land and the cost per acre-foot of water to finance the construction of the Keechelus to Kachess pipeline project and the Kachess Reservoir drought relief pumping plant project. The primary objective is to inform the long-term financial planning of the project beneficiaries, the proratable irrigation districts and their ratepayers, who will bear the construction, maintenance and operation costs.

State Building Construction Account—State	\$9,800,000
State Taxable Building Construction	
Account—State\$2	20,200,000
Subtotal Appropriation	30,000,000
Prior Biennia (Expenditures)\$3	32,100,000
Future Biennia (Projected Costs)\$12	20,000,000
TOTAL	82,100,000

NEW SECTION. Sec. 3071. FOR THE DEPARTMENT OF ECOLOGY Watershed Plan Implementation and Flow Achievement (30000591)
Appropriation: State Building Construction Account—State \$5,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$20,000,000 TOTAL \$25,000,000 NEW SECTION. Sec. 3072. FOR THE DEPARTMENT OF ECOLOGY Habitat Mitigation (91000007)
Reappropriation: State Building Construction Account—State \$3,051,000 Prior Biennia (Expenditures) \$1,349,000 Future Biennia (Projected Costs) \$0 TOTAL \$4,400,000
NEW SECTION. Sec. 3073. FOR THE DEPARTMENT OF ECOLOGY Clean Up Toxics Sites - Puget Sound (91000032)
Reappropriation: State Toxics Control Account—State \$6,637,000 Prior Biennia (Expenditures) \$2,633,000 Future Biennia (Projected Costs) \$0 TOTAL \$9,270,000 NEW SECTION. Sec. 3074. FOR THE DEPARTMENT OF ECOLOGY FY 2012 Statewide Stormwater Grant Program (91000053)
Reappropriation: Local Toxics Control Account—State \$14,789,000 Prior Biennia (Expenditures) \$9,284,000 Future Biennia (Projected Costs) \$0 TOTAL \$24,073,000
NEW SECTION. Sec. 3075. FOR THE DEPARTMENT OF ECOLOGY Stormwater Retrofit and LID Competitive Grants (91000054)
Reappropriation:Local Toxics Control Account—State\$6,952,000Prior Biennia (Expenditures)\$7,511,000Future Biennia (Projected Costs)\$0TOTAL\$14,463,000
NEW SECTION. Sec. 3076. FOR THE DEPARTMENT OF ECOLOGY Skagit Mitigation (91000181)
Reappropriation:

State Building Construction Account—State\$1,423,000Prior Biennia (Expenditures)\$802,000Future Biennia (Projected Costs)\$0
TOTAL
NEW SECTION. Sec. 3077. FOR THE DEPARTMENT OF ECOLOGY Protect Communities from Flood and Drought (92000002)
Reappropriation:State Building Construction Account—State\$228,000Prior Biennia (Expenditures)\$14,747,000Future Biennia (Projected Costs)\$0TOTAL\$14,975,000
NEW SECTION. Sec. 3078. FOR THE DEPARTMENT OF ECOLOGY Wastewater Treatment and Water Reclamation (92000041)
The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3016, chapter 36, Laws of 2010 1st sp. sess.
Reappropriation:State Building Construction Account—State\$151,000Prior Biennia (Expenditures)\$3,279,000Future Biennia (Projected Costs)\$0TOTAL\$3,430,000
NEW SECTION. Sec. 3079. FOR THE DEPARTMENT OF ECOLOGY Flood Levee Improvements (92000057)
The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 503, chapter 1, Laws of 2012 2nd sp. sess.
Reappropriation:State Building Construction Account—State\$301,000Local Toxics Control Account—State\$2,510,000Subtotal Reappropriation\$2,811,000Prior Biennia (Expenditures)\$5,689,000Future Biennia (Projected Costs)\$0TOTAL\$8,500,000NEW SECTION. Sec. 3080. FOR THE DEPARTMENT OF
ECOLOGY Ground Water Management Yakima Basin (92000061)
Reappropriation: Columbia River Basin Water Supply Development Account— State

TOTAL					\$450	000
NEW SECTION.						
ECOLOGY						
Storm Water Improve	`					
The reappropriation in limitations: The reappropriate that the reappropriate that the reappropriate is a second of the reappropriate and the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate in the reappropriate is a second of the reappropriate is a second of the reappropriate in the reappropriate is a second of t	riation is	subject to				
Reappropriation: Environmental Legacy Prior Biennia (Expendic Future Biennia (Project TOTAL	litures) cted Costs				. \$8,544,	,000
NEW SECTION.	Sec. 308	2. FOR	THE	DEPART	MENT	OF
ECOLOGY Floodplain Manageme	ent and Co	ontrol Grant	s (92000	078)		
The reappropriation in limitations: The reapproprichapter 19, Laws of 2013 2	this secti	on is subject subject to	t to the f	ollowing c		
Reappropriation: State Building Construction Prior Biennia (Expending Future Biennia (Project TOTAL	litures) cted Costs				. \$9,611,	,000
NEW SECTION. S ECOLOGY Lower Yakima GWM.					MENT	OF
Reappropriation: State Building Construction Prior Biennia (Expending Future Biennia (Project TOTAL	litures) cted Costs					. \$0 . \$0 ,000
ECOLOGY Drought Response (92	2000142)					
	dness Acciation ditures) cted Costs	count—State			\$14,000, \$16,000, \$16,000,	,000 ,000 . \$0 . \$0 ,000
<u>NEW SECTION.</u> SEINSURANCE AGENCY	ec. 3085.	FUR TH	E POL	LUHON	LIABIL	1 1 Y

Underground Storage Tank Capital Program Demonstration and Design (30000001)

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

- (1) The appropriation in this section must be used for projects that provide a benefit to the public through removal, replacement or upgrade of underground storage tank fuel systems, retrofit existing systems to disperse renewable or alternative fuels, and cleanup of contamination caused by legacy petroleum releases. All projects must develop and acquire assets that have a useful life of at least thirteen years. These requirements must be specified in funding agreements issued by the agency.
- (2)(a) \$1,800,000 of the appropriation is provided solely to design a capital financial assistance program to provide underground storage tank owners and operators with financial resources to remove, replace or upgrade underground storage tank fuel systems, retrofit existing systems to disperse renewable or alternative fuels, and to clean up contamination caused by legacy petroleum releases.
 - (b) The design must:
- (i) Assess options for program structure and administration, and develop a recommended program design, financial management plan and staffing model;
- (ii) Include data and legal analysis of statewide need, availability of existing fund sources for grants and loans, assessment of owner and operator willingness to participate and potential environmental and economic impacts of the loan program.
- (iii) As part of the program design, the agency must conduct a pilot demonstration of a capital grant program that includes three study sites with aging tanks, demonstrated impact to either soil or groundwater, or both, and serious financial hardship, as defined in chapter 374-60 WAC. Each study site may not cost more than \$600,000.
- (3) The agency shall conduct the study in consultation with the office of financial management, and internal and external agency stakeholders.
- (4) The agency must provide a final report of the program design, as well as any associated legislative and budget recommendations, to the governor and legislature by October 1, 2015.

Appropriation:

Pollution Liability Insurance Program Trust	
Account—State	. \$1,800,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	

<u>NEW SECTION.</u> Sec. 3086. FOR THE STATE PARKS AND RECREATION COMMISSION

Dosewallips Wastewater Treatment System (30000523)

Reappropriation:
State Buildin

State Building Construction Account—State	\$27,000
Prior Biennia (Expenditures)	\$4,505,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,532,000

NEW SECTION. Sec. 3087. FOR THE STATE PARKS AND RECREATION COMMISSION Lewis & Clark Replace Wastewater System (30000544)
Reappropriation: State Building Construction Account—State
Reappropriation:State Building Construction Account—State\$161,000Prior Biennia (Expenditures)\$64,000Future Biennia (Projected Costs)\$0TOTAL\$225,000
NEW SECTION. Sec. 3089. FOR THE STATE PARKS AND RECREATION COMMISSION Flaming Geyser State Park Infrastructure (30000810)
Reappropriation: State Building Construction Account—State \$848,000 Prior Biennia (Expenditures) \$477,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,325,000 NEW SECTION. Sec. 3090. FOR THE STATE PARKS AND RECREATION COMMISSION Millersylvania Replace Environmental Learning Center Cabins (30000821)
Reappropriation: State Building Construction Account—State \$481,000 Prior Biennia (Expenditures) \$608,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,089,000
NEW SECTION. Sec. 3091. FOR THE STATE PARKS AND RECREATION COMMISSION Minor Works - Facility and Infrastructure Preservation (30000845)
Reappropriation:State Building Construction Account—State\$1,797,000Prior Biennia (Expenditures)\$8,203,000Future Biennia (Projected Costs)\$0TOTAL\$10,000,000
NEW SECTION. Sec. 3092. FOR THE STATE PARKS AND RECREATION COMMISSION Wallace Falls Footbridge (91000047)
Reappropriation:

State Building Construction Account—State
Prior Biennia (Expenditures) \$336,000 Future Biennia (Projected Costs) \$0 TOTAL \$486,000
TOTAL
Reappropriation: State Building Construction Account—State \$695,000 Prior Biennia (Expenditures) \$288,000 Future Biennia (Projected Costs) \$0 TOTAL \$983,000 NEW SECTION. Sec. 3094. FOR THE STATE PARKS AND
RECREATION COMMISSION Fort Worden - Housing Areas Exterior Improvements (30000287)
Appropriation: State Building Construction Account—State \$500,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$2,858,000 TOTAL \$3,358,000
NEW SECTION. Sec. 3095. FOR THE STATE PARKS AND RECREATION COMMISSION Mount Spokane Road Improvements, Stage 2D (30000693)
Appropriation: State Building Construction Account—State \$2,400,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$2,400,000
NEW SECTION. Sec. 3096. FOR THE STATE PARKS AND RECREATION COMMISSION Camano Island Day Use Access and Facility Renovation (30000782)
Reappropriation: State Building Construction Account—State\$107,000
Appropriation:\$1,212,000State Building Construction Account—State\$1,212,000Prior Biennia (Expenditures)\$194,000Future Biennia (Projected Costs)\$0TOTAL\$1,513,000
NEW SECTION. Sec. 3097. FOR THE STATE PARKS AND RECREATION COMMISSION Belfair Replace Failing Electrical Supply to Main Camp Loop (30000813)
Appropriation: State Building Construction Account—State \$1,180,000 Prior Biennia (Expenditures) \$0

Future Biennia (Projected Costs)\$0 TOTAL \$1.180.000
TOTAL
Appropriation: State Building Construction Account—State \$1,173,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,173,000 NEW SECTION. Sec. 3099. FOR THE STATE PARKS AND
RECREATION COMMISSION Kopachuck Day Use Development (30000820)
Reappropriation: State Building Construction Account—State \$10,000 Prior Biennia (Expenditures) \$309,000 Future Biennia (Projected Costs) \$0 TOTAL \$319,000 NEW SECTION. Sec. 3100. FOR THE STATE PARKS AND RECREATION COMMISSION Flaming Geyser Day Use Renovation (30000832)
Reappropriation:State Building Construction Account—State\$642,000Prior Biennia (Expenditures)\$360,000Future Biennia (Projected Costs)\$0TOTAL\$1,002,000
NEW SECTION. Sec. 3101. FOR THE STATE PARKS AND RECREATION COMMISSION Minor Works - Health and Safety (30000839)
Appropriation: State Building Construction Account—State \$5,160,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$5,160,000 NEW SECTION. Sec. 3102. FOR THE STATE PARKS AND RECREATION COMMISSION Fort Worden Maintenance Shop Relocation (30000960)
Appropriation:State Building Construction Account—State\$1,600,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$0TOTAL\$1,600,000
NEW SECTION. Sec. 3103. FOR THE STATE PARKS AND RECREATION COMMISSION

Twanoh State Park Stormwater Improvements (30000851)
Reappropriation:State Building Construction Account—State\$160,000Prior Biennia (Expenditures)\$194,000Future Biennia (Projected Costs)\$0TOTAL\$354,000
NEW SECTION. Sec. 3104. FOR THE STATE PARKS AND RECREATION COMMISSION Rocky Reach - Trail Development (30000853)
Reappropriation:State Building Construction Account—State\$535,000Prior Biennia (Expenditures)\$3,220,000Future Biennia (Projected Costs)\$0TOTAL\$3,755,000
NEW SECTION. Sec. 3105. FOR THE STATE PARKS AND RECREATION COMMISSION Lake Sammamish State Park: Sunset Beach Bathhouse Replacement (30000653)
Reappropriation: State Building Construction Account—State \$50,000 Prior Biennia (Expenditures) \$2,439,000 Future Biennia (Projected Costs) \$0 TOTAL \$2,489,000 NEW SECTION. Sec. 3106. FOR THE STATE PARKS AND RECREATION COMMISSION Minor Works - Revenue Generation (30000847)
Reappropriation: State Building Construction Account—State \$25,000 Prior Biennia (Expenditures) \$2,959,000 Future Biennia (Projected Costs) \$0 TOTAL \$2,984,000 NEW SECTION. Sec. 3107. FOR THE STATE PARKS AND RECREATION COMMISSION
Fish Barrier Removal (30000854) Reappropriation: State Building Construction Account—State \$767,000 Prior Biennia (Expenditures) \$281,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,048,000 NEW SECTION. Sec. 3108. FOR THE STATE PARKS AND RECREATION COMMISSION Clean Vessel Boating Pump-Out Grants (30000856)
Appropriation: General Fund—Federal

Prior Biennia (Expenditures) \$2,600,000 Future Biennia (Projected Costs) \$10,400,000 TOTAL \$15,600,000
NEW SECTION. Sec. 3109. FOR THE STATE PARKS AND RECREATION COMMISSION Local Grant Authority (30000857)
Appropriation: Parks Renewal and Stewardship Account—Private/Local \$1,000,000 Prior Biennia (Expenditures) \$1,200,000 Future Biennia (Projected Costs) \$4,000,000 TOTAL \$6,200,000
NEW SECTION. Sec. 3110. FOR THE STATE PARKS AND RECREATION COMMISSION Federal Grant Authority (30000858)
Appropriation: General Fund—Federal
Appropriation: State Building Construction Account—State \$1,122,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,122,000
NEW SECTION. Sec. 3112. FOR THE STATE PARKS AND RECREATION COMMISSION Mount Spokane - Nordic Area Improvements and Horse Camp Development (30000877)
Appropriation: State Building Construction Account—State \$182,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$182,000 NEW SECTION. Sec. 3113. FOR THE STATE PARKS AND RECREATION COMMISSION Statewide - Cabins, Yurts, and Associated Park Improvement (30000883)
Appropriation: State Building Construction Account—State \$1,153,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,153,000

NEW SECTION. Sec. 3114. FOR THE STATE PARKS AND RECREATION COMMISSION Fish Barrier Removal (Lawsuit) (30000944)
Appropriation: State Building Construction Account—State \$2,034,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$2,034,000 NEW SECTION. Sec. 3115. FOR THE STATE PARKS AND RECREATION COMMISSION Statewide - Facility and Infrastructure Backlog Reduction (30000946)
Appropriation: State Building Construction Account—State \$6,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$18,000,000 TOTAL \$24,000,000 NEW SECTION. Sec. 3116. FOR THE STATE PARKS AND RECREATION COMMISSION Fort Flagler - WWI Historic Facilities Preservation (30000100)
Appropriation: State Building Construction Account—State \$430,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$430,000 NEW SECTION. Sec. 3117. FOR THE STATE PARKS AND RECREATION COMMISSION Riverside Fisk Property Lake Spokane (Long Lake) Initial Park Access (30000971)
Appropriation: State Building Construction Account—State \$1,072,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,072,000 NEW SECTION. Sec. 3118. FOR THE STATE PARKS AND RECREATION COMMISSION Minor Works - Facilities and Infrastructures (30000947)
Appropriation: State Building Construction Account—State \$11,117,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$250,000 TOTAL \$11,367,000 NEW SECTION. Sec. 3119. FOR THE STATE PARKS AND RECREATION COMMISSION Steamboat Rock - Replace Failing Sewage Lift Stations (30000948)

Appropriation:	
State Building Construction Account—State	. \$1,229,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	

<u>NEW SECTION.</u> Sec. 3120. FOR THE STATE PARKS AND RECREATION COMMISSION

Mount Spokane - Maintenance Facility Relocation from Harms Way (30000959)

Appropriation:

State Building Construction Account—State	\$384,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	

<u>NEW SECTION.</u> Sec. 3121. FOR THE STATE PARKS AND RECREATION COMMISSION

Parkland Acquisition (30000976)

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

- (1) Except for subsection (2) of this section, the appropriation is provided solely to acquire land that is adjacent or within existing state parks. For this purpose, adjacent means a parcel of real property that shares a border with a state park. The state parks and recreation commission may dispose of property that is surplus to the needs of the state parks and recreation commission by June 30, 2017. Disposal may include sale of the surplus property or long-term lease of the property if such a lease is negotiated and managed by the commercial lands portfolio management unit of the department of natural resources. The commission and the department must agree on an appropriate management fee for the department's land management services.
- (2) \$225,000 of the appropriation is provided solely for the purchase of Young Island.
- (3) In order to improve noxious weed control and achieve improved land stewardship and wild fire response, the parks and recreation commission must transfer property ownership of segments of unused trails, specified below, to adjacent property owners, who request such a transfer, in exchange for those adjacent property owners granting the parks and recreation commission a permanent easement for any future utilities the commission desires to place on the transferred property. No other compensation is required for the transfers. If the trail is ever developed upon legislative approval ownership will revert to the parks and recreation commission. The unused trail segments are those along the trail from Whitman county trailhead at Williams lake road up to Martin road trail head in Spokane county.

Parkland Acquisition Account—State	\$2,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$8,000,000
TOTAL	\$10,000,000

NEW SECTION. Sec. 3122. FOR THE STATE PARKS AND RECREATION COMMISSION Backlog Repairs and Enhanced Amenities (92000007)
Reappropriation: State Building Construction Account—State \$794,000 Prior Biennia (Expenditures) \$8,610,000 Future Biennia (Projected Costs) \$0 TOTAL \$9,404,000 NEW SECTION. Sec. 3123. FOR THE STATE PARKS AND RECREATION COMMISSION
Goldendale Observatory - Phase 3 Expansion (30000709)
Appropriation: State Building Construction Account—State \$2,649,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$2,650,000 TOTAL \$5,299,000 NEW SECTION. Sec. 3124. FOR THE STATE PARKS AND
RECREATION COMMISSION Sun Lakes State Park: Dry Falls Campground Renovation (30000305)
Appropriation: State Building Construction Account—State
Appropriation:State Building Construction Account—State\$248,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$1,448,000TOTAL\$1,696,000
NEW SECTION. Sec. 3126. FOR THE STATE PARKS AND RECREATION COMMISSION Cape Disappointment North Head Parking (30000522)
Appropriation:\$1,365,000State Building Construction Account—State\$1,365,000Prior Biennia (Expenditures)\$925,000Future Biennia (Projected Costs)\$0TOTAL\$2,290,000
NEW SECTION. Sec. 3127. FOR THE STATE PARKS AND RECREATION COMMISSION Steamboat Rock Build Dunes Campground (30000729)
Appropriation:

State Building Construction Account—State \$3,499,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0
TOTAL
Appropriation: State Building Construction Account—State \$1,040,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,040,000 NEW SECTION. Sec. 3129. FOR THE STATE PARKS AND RECREATION COMMISSION Fort Worden - Replace Failing Sewer Lines (30000860)
Appropriation: State Building Construction Account—State \$234,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$2,406,000 TOTAL \$2,640,000 NEW SECTION. Sec. 3130. FOR THE STATE PARKS AND RECREATION COMMISSION
Iron Horse - Tunnel 46 and 47 Repairs (30000870) Appropriation: State Building Construction Account—State \$1,481,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$1,600,000 TOTAL \$3,081,000 NEW SECTION. Sec. 3131. FOR THE STATE PARKS AND RECREATION COMMISSION
Lake Sammamish Dock Grant Match (30000872) Appropriation: State Building Construction Account—State \$1,100,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,100,000 NEW SECTION. Sec. 3132. FOR THE STATE PARKS AND
RECREATION COMMISSION Field Spring Replace Failed Sewage System and Non-ADA Comfort Station (30000951)
Appropriation:\$101,000State Building Construction Account—State\$101,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$959,000TOTAL\$1,060,000

NEW SECTION. Sec. 3133. FOR THE STATE PARKS AND RECREATION COMMISSION Sun Lakes - Dry Falls - Upgrade Failing Water Supply Systems (30000962)
Appropriation: State Building Construction Account—State
Appropriation: State Building Construction Account—State
Ocean City - Replace Noncompliant Comfort Stations (30000970) Appropriation: State Building Construction Account—State \$152,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$1,291,000 TOTAL \$1,443,000 NEW SECTION Sec. 3136. FOR THE STATE PARKS AND RECREATION COMMISSION Minor Works - Program (30000975)
Appropriation: State Building Construction Account—State \$491,000 Prior Biennia (Expenditures). \$0 Future Biennia (Projected Costs). \$0 TOTAL \$491,000 NEW SECTION. Sec. 3137. FOR THE STATE PARKS AND RECREATION COMMISSION Dash Point - Replace Bridge (Pedestrian) (30000972)
Appropriation: State Building Construction Account—State \$165,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$1,443,000 TOTAL \$1,608,000 NEW SECTION. Sec. 3138. FOR THE STATE PARKS AND RECREATION COMMISSION
Mount Spokane Guest Services (91000429) Appropriation:

State Building Constructi Prior Biennia (Expenditu Future Biennia (Projected TOTAL	res) d Costs)					\$0 \$0
TOTAL	G BOAR	D			ΓΙΟΝ	AND
The reappropriations in t and limitations: The reappro 3146, chapter 520, Laws of 20	priations a	are subje	ject to the	the following provision	ng cond	litions ection
Reappropriation: Outdoor Recreation According Habitat Conservation According Subtotal Reappropriation Biennia (Expenditus Future Biennia (Projected TOTAL	count—Stantion res)	FOR			. \$2,52 . \$2,81 \$95,67 \$98,49	3,000 4,000 8,000 \$0 2,000
Salmon Recovery Funding			(20084	851)		
Reappropriation: State Building Constructi Prior Biennia (Expenditu Future Biennia (Projected TOTAL	res) d Costs) . 3141. IG BOAR	FOR D	 THE	RECREA	\$59,36 \$60,00	1,000 \$0 0,000
Reappropriation: Farmlands Preservation A Outdoor Recreation Acco Riparian Protection Acco Habitat Conservation Acc Subtotal Reappropria Prior Biennia (Expenditu Future Biennia (Projected TOTAL NEW SECTION. Sec. CONSERVATION FUNDIN Puget Sound Acquisition Reappropriation: State Building Construction	ount—State ount—State count—State ation res) d Costs)	FOR D ration (3)	THE	RECREA (0)	\$30 \$91 .\$3,67 .\$5,14 \$64,29 \$69,44 FION	7,000 1,000 2,000 7,000 8,000 \$0 5,000 AND
Prior Biennia (Expenditu Future Biennia (Projected TOTAL	res) l Costs)		 		\$32,63	4,000 \$0

<u>NEW SECTION.</u> Sec. 3143. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Boating Facilities Program (30000138)

Recreation Resources Account—State	. \$1,589,000
Prior Biennia (Expenditures)	. \$6,411,000
Future Biennia (Projected Costs)	\$0
TOTAL	. \$8,000,000

<u>NEW SECTION.</u> Sec. 3144. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Washington Wildlife Recreation Grants (30000139)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are provided solely for the list of projects in LEAP capital document No. 2011-3A, developed May 24, 2011.

Reappropriation:

Farmlands Preservation Account—State	\$195,000
Outdoor Recreation Account—State	\$3,694,000
Habitat Conservation Account—State	\$3,985,000
Subtotal Reappropriation	\$7,874,000
Prior Biennia (Expenditures)	\$34,126,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 3145. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Salmon Recovery Funding Board Programs (30000140)

Reappropriation:

State Building Construction Account—State	\$3,497,000
General Fund—Federal	\$23,169,000
Subtotal Reappropriation	\$26,666,000
Prior Biennia (Expenditures)	\$43,396,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 3146. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Land and Water Conservation Fund (30000142)

Reappropriation:

General Fund—Federal	\$1,313,000
Prior Biennia (Expenditures)	\$2,687,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,000,000

<u>NEW SECTION.</u> Sec. 3147. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Aquatic Lands Enhancement Account (30000143)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is provided solely for the list of projects in LEAP capital document No. 2011-3B, revised April 10, 2013.

Reap		

Aquatic Lands Enhancement Account—State	\$845,000
Prior Biennia (Expenditures)	\$5,616,000
Future Biennia (Projected Costs)	\$0
TOTAL	\$6.461.000

<u>NEW SECTION.</u> Sec. 3148. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Recreational Trails Program (30000146)

Reappropriation:

General Fund—Federal	\$1,328,000
Prior Biennia (Expenditures)	\$3,672,000
Future Biennia (Projected Costs)	
TOTAL	

<u>NEW SECTION.</u> Sec. 3149. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Puget Sound Restoration (30000147)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation may not be expended on the acquisition of lands by state agencies.

Reappropriation:

State Building Construction Account—State	\$2,975,000
Prior Biennia (Expenditures)	\$12,025,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 3150. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Puget Sound Estuary and Salmon Restoration Program (30000148)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation may not be expended on the acquisition of lands by state agencies.

Reappropriation:

State Building Construction Account—State	\$560,000
Prior Biennia (Expenditures)	. \$4,440,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 3151. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Washington Wildlife Recreation Grants (30000205)

The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 3161, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation: \$3,218,000 Farmlands Preservation Account—State \$3,218,000 Riparian Protection Account—State \$4,973,000 Habitat Conservation Account—State \$14,918,000 Outdoor Recreation Account—State \$14,918,000 Subtotal Reappropriation \$38,027,000 Prior Biennia (Expenditures) \$26,973,000 Future Biennia (Projected Costs) \$0 TOTAL \$65,000,000
NEW SECTION. Sec. 3152. FOR THE RECREATION AND CONSERVATION FUNDING BOARD Salmon Recovery Funding Board Programs (30000206)
The reappropriations in this section are subject to the following conditions and limitations: The reappropriations are subject to the provisions of section 3162, chapter 19, Laws of 2013 2nd sp. sess.
Reappropriation: State Building Construction Account—State \$7,886,000 General Fund—Federal \$37,278,000 Subtotal Reappropriation \$45,164,000 Prior Biennia (Expenditures) \$29,836,000 Future Biennia (Projected Costs) \$0 TOTAL \$75,000,000 NEW SECTION Sec. 3153. FOR THE RECREATION AND CONSERVATION FUNDING BOARD Boating Facilities Program (30000207)
Reappropriation: \$3,309,000 Recreation Resources Account—State \$3,309,000 Prior Biennia (Expenditures) \$3,054,000 Future Biennia (Projected Costs) \$0 TOTAL \$6,363,000 NEW SECTION. Sec. 3154. FOR THE RECREATION AND
CONSERVATION FUNDING BOARD Nonhighway Off-Road Vehicle Activities (30000208)
Reappropriation: NOVA Program Account—State \$5,100,000 Prior Biennia (Expenditures) \$3,400,000 Future Biennia (Projected Costs) \$0 TOTAL \$8,500,000 NEW SECTION. Sec. 3155. FOR THE RECREATION AND
CONSERVATION FUNDING BOARD

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation in this section is provided solely for the list of projects in LEAP capital document No. 2013-2B, developed April 10, 2013.

Aquatic Lands Enhancement Account (30000210)

Reappropriation: Aquatic Lands Enhancement Account—State. \$3,900,00 Prior Biennia (Expenditures). \$2,100,00 Future Biennia (Projected Costs). \$5 TOTAL \$6,000,00	00 \$0 00
NEW SECTION. Sec. 3156. FOR THE RECREATION AN CONSERVATION FUNDING BOARD Puget Sound Acquisition and Restoration (30000211)	D
Reappropriation:State Building Construction Account—State\$44,058,00Prior Biennia (Expenditures)\$25,942,00Future Biennia (Projected Costs)\$70,000,00	00 \$0 00
NEW SECTION. Sec. 3157. FOR THE RECREATION AN CONSERVATION FUNDING BOARD Puget Sound Estuary and Salmon Restoration Program (30000212)	D
Reappropriation: State Building Construction Account—State \$5,500,00 Prior Biennia (Expenditures) \$4,500,00 Future Biennia (Projected Costs) \$10,000,00	00 \$0 00
NEW SECTION. Sec. 3158. FOR THE RECREATION AN CONSERVATION FUNDING BOARD Firearms and Archery Range Recreation (30000213)	ID
The reappropriation in this section is subject to the following conditions at limitations: The reappropriation is subject to the provisions of section 316 chapter 19, Laws of 2013 2nd sp. sess.	
Reappropriation: Firearms Range Account—State \$315,00 Prior Biennia (Expenditures) \$485,00 Future Biennia (Projected Costs) \$ TOTAL \$800,00	00 \$0
NEW SECTION. Sec. 3159. FOR THE RECREATION AN CONSERVATION FUNDING BOARD Recreational Trails Program (30000214)	D
Reappropriation:General Fund—Federal\$1,500,00Prior Biennia (Expenditures)\$3,500,00Future Biennia (Projected Costs)\$5,000,00TOTAL\$5,000,00	00 \$0 00
NEW SECTION. Sec. 3160. FOR THE RECREATION AN CONSERVATION FUNDING BOARD Boating Infrastructure Grants (30000215)	D

Reappropriation:

General Fund—Federal	
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	
TOTAL	
NEW SECTION. Sec. 3161.	FOR THE RECREATION AND

<u>NEW SECTION.</u> Sec. 3161. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Land and Water Conservation (30000216)

Reappropriation:

General Fund—Federal	. \$3,400,000
Prior Biennia (Expenditures)	\$600,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 3162. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Family Forest Fish Passage Program (30000218)

Reappropriation:

State Building Construction Account—State	\$990,000
Prior Biennia (Expenditures)	\$1,010,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 3163. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Washington Wildlife Recreation Grants (30000220)

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

- (1) The appropriations in this section are provided solely for the list of projects in LEAP capital document No. 2015-1, developed June 30, 2015.
- (2)(a) \$60,000 of the appropriation is provided solely for the Washington state recreation and conservation office to convene and facilitate a stakeholder process to review and make recommendations for statutory revisions to the Washington wildlife and recreation program. The review must be conducted with consideration of the potential impacts to existing and future relationships with local governments, the federal government, and Tribal Nations. The review must include analysis of the program design, including criteria, information and coordination required for projects to proceed through the ranking and selection processes. Existing allocation categories and percentages must be evaluated to determine how well the system balances the many current statewide needs, including effectiveness in assessing and serving the needs of smaller and traditionally underserved populations, as well as communities with lower percapita income levels. The ability of the general public to access program-funded projects must also be considered, as well as support for projects and landscapes with multiple values. The review must include examination of ways in which lands are acquired by state agencies through the program, such as gifts, mitigation, acquisition through direct negotiation with landowners, acquisition from land trusts and other nongovernmental organizations that are intermediaries or short-term owners for which long-term ownership and management by a

public agency was the purpose of the nongovernmental organization's acquisition, easement acquisitions, and other pathways by which habitat lands are either acquired or managed, or both, by the state. Advantages and disadvantages of all approaches used by the program must be considered, including acquisition and stewardship costs, timing of land availability when compared to funding availability by the state, and other conservation alternatives that could be considered instead of state ownership, such as long-term management by a nongovernmental organization, another public agency, or conservation through less-than-fee approaches such as by easement or other landowner agreements.

- (b) The recreation and conservation office may convene stakeholders and facilitate activities as needed. The agency must seek input and meaningfully involve a broad base of interested stakeholders that includes Tribal governments and those with specific subject-matter expertise relevant to the project categories of the Washington wildlife and recreation program. They shall seek broad and diverse legislative input and invite interested legislators to provide information and ideas, including, at a minimum, the majority and minority leadership of the capital committees in the senate and house of representatives. They shall coordinate with the appropriate standing committees of the legislature and may consult with other interested parties, as may be appropriate, for technical advice and assistance.
- (c) The final report must include recommended statutory and policy changes to the appropriate committees of the legislature on or before December 1, 2015.

Appropriation:

Farmlands Preservation Account—State	\$4,379,000
Riparian Protection Account—State	\$5,548,000
Habitat Conservation Account—State	\$22,699,000
Outdoor Recreation Account—State	\$22,697,000
Subtotal Appropriation	\$55,323,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$300,000,000
TOTAL	\$355,323,000

<u>NEW SECTION.</u> Sec. 3164. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Salmon Recovery Funding Board Programs (30000221)

The appropriations in this section are subject to the following conditions and limitations: \$500,000 of the state building construction account—state is provided solely for the city of Bothell to preserve the Wayne golf course land, situated along the Sammamish river and Burke-Gilman trail, for fish habitat.

State Building Construction Account—State	\$16,500,000
General Fund—Federal	\$50,000,000
Subtotal Appropriation	\$66,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	\$466,500,000

<u>NEW SECTION.</u> Sec. 3165. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Boating Facilities Program (30000222)

Approp	riation.
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Recreation Resources Account—State	\$9,360,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	\$47.160.000

<u>NEW SECTION.</u> Sec. 3166. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Nonhighway Off-Road Vehicle Activities (30000223)

Appropriation:

NOVA Program Account—State	\$8,670,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	\$43,440,000

<u>NEW SECTION.</u> Sec. 3167. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Youth Athletic Facilities (30000224)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for grants for acquisition, development or renovation of youth athletic fields. The recreation conservation office must require grant recipients of youth recreation field grants to have a fee waiver policy for youth athletic clubs who use the fields acquired, developed or renovation with funds from this appropriation. The fee waiver policy must discount or waive fees based on the youth athletic club's rates charged and scholarships provided to low-income athletes compared to other clubs using the fields. \$7,000,000 of the appropriation is provided for grants awarded through the recreation conservation office's competitive grant program. \$3,000,000 of the appropriation is provided for the following projects:

Marymoor park/Lake Washington youth soccer association	. \$1,000,000
Northwest soccer park turf project	. \$2,000,000

Appropriation:

510 p11w11011.	
State Building Construction Account—State	\$10,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$12,000,000
TOTAL	\$22,000,000

<u>NEW SECTION.</u> Sec. 3168. FOR THE RECREATION AND CONSERVATION FUNDING BOARD

Aquatic Lands Enhancement Account (30000225)

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for the list of projects in LEAP capital document No. 2015-2, developed June 30, 2015.

Aquatic Lands Enhancement Account—State\$5,269,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$14,400,000TOTAL\$19,669,000
NEW SECTION. Sec. 3169. FOR THE RECREATION AND CONSERVATION FUNDING BOARD Puget Sound Acquisition and Restoration (30000226)
The appropriation in this section is subject to the following conditions and limitations: \$300,000 is provided solely to the Illahee forest preserve for the purchase of the twenty-five acre forested parcel adjacent to the southwest border of the Illahee preserve.
Appropriation: State Building Construction Account—State \$37,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$160,000,000 TOTAL \$197,000,000
NEW SECTION. Sec. 3170. FOR THE RECREATION AND CONSERVATION FUNDING BOARD Puget Sound Estuary and Salmon Restoration Program (30000227)
Appropriation: State Building Construction Account—State \$8,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$40,000,000 TOTAL \$48,000,000
NEW SECTION. Sec. 3171. FOR THE RECREATION AND CONSERVATION FUNDING BOARD Firearms and Archery Range Recreation (30000228)
Appropriation:\$580,000Firearms Range Account—State\$580,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$2,320,000TOTAL\$2,900,000
NEW SECTION. Sec. 3172. FOR THE RECREATION AND CONSERVATION FUNDING BOARD Recreational Trails Program (30000229)
Appropriation: \$5,000,000 General Fund—Federal \$5,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$20,000,000 TOTAL \$25,000,000 NEW SECTION Sec. 3173. FOR THE RECREATION AND
CONSERVATION FUNDING BOARD Boating Infrastructure Grants (30000230)

General Fund—Federal \$2,200,000 Prior Biennia (Expenditures) \$0

Future Biennia (Projected Costs)	\$8,800,000
NEW SECTION. Sec. 3174. FOR THE F CONSERVATION FUNDING BOARD Land and Water Conservation (30000231)	RECREATION AND
Appropriation: General Fund—Federal Prior Biennia (Expenditures) Future Biennia (Projected Costs) TOTAL	\$0 \$16,000,000 \$20,000,000
NEW SECTION. Sec. 3175. FOR THE F CONSERVATION FUNDING BOARD Family Forest Fish Passage Program (30000233)	RECREATION AND
Appropriation: State Building Construction Account—State Prior Biennia (Expenditures) Future Biennia (Projected Costs). TOTAL	\$0,000,000 \$20,000,000 \$25,000,000
NEW SECTION. Sec. 3176. FOR THE F CONSERVATION FUNDING BOARD Family Forest Fish Passage Program (91000097)	RECREATION AND
Reappropriation: State Toxics Control Account—State Prior Biennia (Expenditures) Future Biennia (Projected Costs) TOTAL NEW SECTION. Sec. 3177. FOR THE R	\$8,882,000 \$0 \$10,000,000
CONSERVATION FUNDING BOARD Coastal Restoration Grants (91000448)	
The appropriation in this section is subject to the fo limitations: The appropriation is provided solely for projects:	
Project	Authorized Amount
Black river watershed conservation and restoration	\$650,000
Cathlamet selective fisheries	\$300,000
Coal creek culvert to bridge	\$162,000
Darlin creek conservation and restoration	\$1,300,000

\$950,000

\$75,000

\$200,000

Ellsworth creek watershed restoration

Improved gears for the lower Columbia fishery

Greenhead slough barrier removal

Lower Forks creek restoration	\$2,150,000
Makah tribe salmon restoration	\$174,000
Middle fork Hoquiam culvert correction	\$76,000
Middle fork Satsop culvert correction	\$97,000
Moses Prairie Restoration	\$64,000
Pulling together: Jobs in restoration	\$550,000
Quinault nearshore habitat restoration	\$343,000
Restoration of Elochoman and Grays river basins	\$535,000
Restoration of prairies and wetlands	\$200,000
Rue Creek salmon restoration	\$982,000
Satsop river watershed restoration	\$150,000
Scammon creek barrier removal	\$188,000
Sullivan ponds restoration	\$43,000
Upper Quinault river restoration	\$1,900,000
West fork Satsop culvert correction	\$96,000
Total	\$11,185,000
Appropriation: State Building Construction Account—State Prior Biennia (Expenditures) Future Biennia (Projected Costs) TOTAL	\$0 \$0
NEW SECTION. Sec. 3178. FOR THE RECCONSERVATION FUNDING BOARD Youth Recreation Grants (92000055)	CREATION AND
The reappropriation in this section is subject to the follow limitations: The reappropriation is subject to the provision chapter 19, Laws of 2013, 2nd sp. sess.	
Reappropriation: State Building Construction Account—State Prior Biennia (Expenditures). Future Biennia (Projected Costs). TOTAL	\$1,688,000 \$0
NEW SECTION. Sec. 3179. FOR THE RECCONSERVATION FUNDING BOARD Recreation and Conservation Office Recreation Grants (9)	
	44 4 44 4

Appropriation:

The appropriations in this section are subject to the following conditions and limitations: The recreation and conservation office may retain up to four

percent of these appropriations to administer the grants.

Outdoor Recreation Account—State \$5,611,000 Subtotal Appropriation \$38,396,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$38,396,000 NEW SECTION Sec. 3180. FOR THE STATE CONSERVATION COMMISSION CREP Riparian Cost Share - State Match (30000009)
Reappropriation: State Building Construction Account—State\$800,000
Appropriation: State Building Construction Account—State \$2,600,000 Prior Biennia (Expenditures) \$1,790,000 Future Biennia (Projected Costs) \$11,400,000 TOTAL \$16,590,000 NEW SECTION. Sec. 3181. FOR THE STATE CONSERVATION COMMISSION
Natural Resources Investment for the Economy and Environment (30000010) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for grants to complete natural resource enhancement projects necessary to improve water quality in nonshellfish growing areas.
Reappropriation:General Fund—Federal\$1,000,000State Building Construction Account—State\$1,250,000Subtotal Reappropriation\$2,250,000
Appropriation:\$4,000,000State Building Construction Account—State\$4,000,000Prior Biennia (Expenditures)\$7,750,000Future Biennia (Projected Costs)\$0TOTAL\$14,000,000
NEW SECTION. Sec. 3182. FOR THE STATE CONSERVATION COMMISSION CREP PIP Loan Program (30000011)
Reappropriation:Conservation Assistance Revolving Account—State\$150,000Prior Biennia (Expenditures)\$30,000Future Biennia (Projected Costs)\$400,000TOTAL\$580,000
NEW SECTION. Sec. 3183. FOR THE STATE CONSERVATION COMMISSION CREP Riparian Contract Funding (30000012)

Reappropriation:

State Building Construction Account—State	\$500,000
Appropriation:	
State Building Construction Account—State	\$2,231,000
Prior Biennia (Expenditures)	\$1,731,000
Future Biennia (Projected Costs)	\$8,924,000
TOTAI	\$13,386,000

<u>NEW SECTION.</u> Sec. 3184. FOR THE STATE CONSERVATION COMMISSION

Match for Federal RCPP Program (30000017)

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

- (1) The general fund—federal appropriation is provided solely for implementation of the five conservation projects in Washington state approved for grant awards as part of the United States department of agriculture regional conservation partnership program authorized under the 2014 farm bill:
 - (a) Palouse river watershed implementation partnership;
 - (b) Precision conservation for salmon and water quality in the Puget Sound;
 - (c) Upper Columbia irrigation enhancement project;
- (d) Yakama nation on-reservation lower Yakima basin restoration project; and
- (e) Confederated tribes of the Colville reservation water quality and habitat improvement project.
- (2) The state building construction account—state is provided solely for state match to the United States department of agriculture regional conservation partnership program.

Appropriation:

State Building Construction Account—State	\$5,000,000
General Fund—Federal	\$23,000,000
Subtotal Appropriation	\$28,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	

$\underline{\text{NEW SECTION.}}$ Sec. 3185. FOR THE STATE CONSERVATION COMMISSION

Improve Shellfish Growing Areas (30000018)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for grants to complete natural resource enhancement projects necessary to improve water quality in shellfish growing areas.

Appropriation:

State Building Construction Account—State	\$4,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$16,000,000
TOTAL	\$20,000,000

<u>NEW SECTION.</u> Sec. 3186. FOR THE STATE CONSERVATION COMMISSION

R&D Grant - Deep Furrow Conservation Drill to Conserve Soil/Water (92000008)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for a grant to support the continued development of a deep furrow conservation drill to conserve soil and water in areas of wheat farming susceptible to soil erosion.

Appropriation:

State Building Construction Account—State	\$350,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	\$350,000

<u>NEW SECTION.</u> Sec. 3187. FOR THE STATE CONSERVATION COMMISSION

Dairy Nutrient Demonstration Low Interest Loans (92000009)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for low interest loans for two or more dairy nutrient management demonstration projects, with at least one located west of the cascades and one east of the cascades.

Appropriation:

State Taxable Building Construction Account—State	\$5,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$5,000,000

<u>NEW SECTION.</u> Sec. 3188. FOR THE STATE CONSERVATION COMMISSION

Conservation Commission Ranch and Farmland Preservation Projects (92000004)

The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for the following list of ranch land preservation projects:

Lust family farm and ranch preservation	\$1,619,000
Imrie ranches Rock creek agricultural easement	\$4,913,000
Kelley ranches agricultural easement	\$2,316,000
Dungeness watershed farmland protection phase 3	\$344,000

Appropriation:

State Building Construction Account—State	\$9,192,000
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	
TOTAL	ΦΩ 1Ω 2 ΩΩΩ

NEW SECTION. Sec. 3189. FOR THE DEPARTMENT OF FISH AND

WILDLIFE

Deschutes Watershed Center (20062008)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3205, chapter 19, Laws of 2013 2nd sp. sess.

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State Building Construction Account—State	04.000
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Appropriation:

910 P11W1011.	
State Building Construction Account—State	. \$5,000,000
Prior Biennia (Expenditures)	. \$3,491,000
Future Biennia (Projected Costs)	\$21,454,000
TOTAL	\$36,949,000

<u>NEW SECTION.</u> Sec. 3190. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Voights Creek Hatchery (20081003)

Reappropriation:

State Building Construction Account—State	\$3,398,000
Prior Biennia (Expenditures)	. \$11,899,000
Future Biennia (Projected Costs)	\$0
TOTAL	

$\underline{\text{NEW SECTION}}$. Sec. 3191. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Migratory Waterfowl Habitat (20082045)

Appropriation:

State Wildlife Account—State	\$600,000
Prior Biennia (Expenditures)	\$1,080,000
Future Biennia (Projected Costs)	\$2,400,000
TOTAL	\$4,080,000

<u>NEW SECTION.</u> Sec. 3192. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Mitigation Projects and Dedicated Funding (20082048)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3191, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

State Wildlife Account—State	\$500,000
Special Wildlife Account—Private/Local	. \$1,077,000
General Fund—Private/Local	. \$1,866,000
General Fund—Federal	\$27,008,000
Subtotal Reappropriation	\$30,451,000

Appropriation:

State Wildlife Account—State	\$500,000
General Fund—Private/Local	\$1,000,000
Special Wildlife Account—Federal	\$1,000,000
Special Wildlife Account—Private/Local	\$1,000,000
General Fund—Federal	\$9,000,000

Subtotal Appropriation \$12,500,000 Prior Biennia (Expenditures) \$104,524,000 Future Biennia (Projected Costs) \$54,000,000 TOTAL \$201,475,000 NEW SECTION. Sec. 3193. FOR THE DEPARTMENT OF FISH AND WILDLIFE Lake Rufus Woods Fishing Access (91000151)
Appropriation: State Building Construction Account—State \$2,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$2,000,000 NEW SECTION. Sec. 3194. FOR THE DEPARTMENT OF FISH AND WILDLIFE
Minor Works Preservation (30000727) Appropriation: State Building Construction Account—State \$9,230,000 State Wildlife Account—State \$300,000 Subtotal Appropriation \$9,530,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$80,000,000 TOTAL \$89,530,000 NEW SECTION. Sec. 3195. FOR THE DEPARTMENT OF FISH AND WILDLIFE Kalama Falls Hatchery Renovate Adult Handling Facilities (30000480)
Appropriation: State Building Construction Account—State \$4,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$4,000,000 NEW SECTION. Sec. 3196. FOR THE DEPARTMENT OF FISH AND WILDLIFE
Wooten Wildlife Area Improve Flood Plain (30000481) The reappropriations in this section are subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 3207, chapter 19, Laws of 2013 2nd sp. sess.
Reappropriation: State Building Construction Account—State\$106,000 General Fund—Federal\$1,000,000 Subtotal Reappropriation\$1,106,000
Appropriation: General Fund—Federal \$2,600,000 State Building Construction Account—State \$2,000,000 Subtotal Appropriation \$4,600,000

Prior Biennia (Expenditures) \$1,994,000 Future Biennia (Projected Costs) \$12,722,000 TOTAL \$20,422,000
NEW SECTION. Sec. 3197. FOR THE DEPARTMENT OF FISH AND WILDLIFE Clarks Creek Hatchery Rebuild (92000038)
The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely to substantially rebuild the Clarks creek (Puyallup) hatchery and fulfill Washington department of transportation mitigation requirements as agreed to with the Puyallup Indian nation for the widening of Interstate 5. The new hatchery must be devoted to salmon production. The department must relocate trout production to other hatcheries.
Appropriation:State Building Construction Account—State\$5,000,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$0TOTAL\$5,000,000
NEW SECTION. Sec. 3198. FOR THE DEPARTMENT OF FISH AND WILDLIFE Eells Spring Hatchery Renovation (30000214)
Appropriation:State Building Construction Account—State\$500,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$11,722,000TOTAL\$12,222,000
NEW SECTION. Sec. 3199. FOR THE DEPARTMENT OF FISH AND WILDLIFE Samish Hatchery Intakes (30000276)
Appropriation: State Building Construction Account—State \$700,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$4,221,000 TOTAL \$4,921,000
NEW SECTION. Sec. 3200. FOR THE DEPARTMENT OF FISH AND WILDLIFE Minter Hatchery Intakes (30000277)
Appropriation:\$250,000State Building Construction Account—State\$250,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$7,948,000TOTAL\$8,198,000

Hoodsport Hatchery Adult Pond Renovation (30000686)

 $\underline{\text{NEW SECTION.}}$ Sec. 3201. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Appropriation: State Building Construction Account—State \$700,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$3,346,000 TOTAL \$4,046,000 NEW SECTION. Sec. 3202. FOR THE DEPARTMENT OF FISH AND WILDLIFE
Nasselle Hatchery Renovation (30000671)
Appropriation: State Building Construction Account—State \$275,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$13,556,000 TOTAL \$13,831,000
NEW SECTION. Sec. 3203. FOR THE DEPARTMENT OF FISH AND WILDLIFE Replace Fire Damaged Fencing (30000655)
Reappropriation: State Building Construction Account—State \$1,225,000 Prior Biennia (Expenditures) \$387,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,612,000 NEW SECTION. Sec. 3204. FOR THE DEPARTMENT OF FISH AND WILDLIFE
Soos Creek Hatchery Renovation (30000661)
Appropriation: State Building Construction Account—State \$15,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$9,103,000 TOTAL \$24,103,000
NEW SECTION. Sec. 3205. FOR THE DEPARTMENT OF FISH AND WILDLIFE Edmonds Pier Renovation (30000664)
Appropriation: State Building Construction Account—State \$800,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$800,000
NEW SECTION. Sec. 3206. FOR THE DEPARTMENT OF FISH AND WILDLIFE Marblemount Hatchery - Renovating Jordan Creek Intake (30000666)
Appropriation: State Building Construction Account—State \$2,293,000 Prior Biennia (Expenditures). \$0 Future Biennia (Projected Costs). \$0 TOTAL \$2,293,000

<u>NEW SECTION.</u> Sec. 3207. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Lake Whatcom Hatchery - Replace Intake and Pipeline (30000667)

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 State Building Construction Account—State	. \$1,354,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1 354 000

$\underline{\text{NEW SECTION}}$. Sec. 3208. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Fir Island Farm Estuary Restoration Project (30000673)

Appropriation:

State Building Construction Account—State	\$500,000
General Fund—Federal	\$15,500,000
Subtotal Appropriation	\$16,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	

${ m NEW~SECTION.}$ Sec. 3209. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Minor Works - Programmatic (30000682)

The appropriations in this section are subject to the following conditions and limitations: \$2,200,000 of the appropriations in this section are provided solely for the department to conduct research and study methods for the department to coordinate with private landowners in order to support the continued varied use of public land. Research may be contracted out and must aim to learn about successful methods being used in Washington and in other states to support the multiple uses of public land. The research must be done in consultation with landowners and other stakeholders.

Appropriation:

State Building Construction Account—State	\$2,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	\$2,500,000

$\underline{\text{NEW SECTION.}}$ Sec. 3210. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Eells Springs Production Shift (30000723)

Appropriation:

State Building Construction Account—State	\$4,620,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$4,620,000

<u>NEW SECTION.</u> Sec. 3211. FOR THE DEPARTMENT OF FISH AND WILDLIFE

Mitchell Act Federal Grant (91000021)

Reappropriation: General Fund—Federal \$1,014,000 Prior Biennia (Expenditures) \$1,986,000 Future Biennia (Projected Costs) \$0 TOTAL \$3,000,000 NEW SECTION. Sec. 3212. FOR THE DEPARTMENT OF FISH AND WILDLIFE Fishway Improvements/Diversions (91000033)
Reappropriation: State Building Construction Account—State \$7,003,000 Prior Biennia (Expenditures) \$997,000 Future Biennia (Projected Costs) \$0 TOTAL \$8,000,000 NEW SECTION. Sec. 3213. FOR THE DEPARTMENT OF FISH AND WILDLIFE
Hatchery Improvements (91000036) Reappropriation: State Building Construction Account—State \$16,109,000 Prior Biennia (Expenditures) \$18,666,000 Future Biennia (Projected Costs) \$0 TOTAL \$34,775,000 NEW SECTION. Sec. 3214. FOR THE DEPARTMENT OF FISH AND WILDLIFE Minor Works - Access Sites (91000044)
Reappropriation: State Building Construction Account—State \$2,518,000 Prior Biennia (Expenditures) \$4,888,000 Future Biennia (Projected Costs) \$0 TOTAL \$7,406,000
NEW SECTION. Sec. 3215. FOR THE DEPARTMENT OF FISH AND WILDLIFE Minor Works - Fish Passage Barriers (Culverts) (91000045)
Reappropriation: State Building Construction Account—State \$515,000 Prior Biennia (Expenditures) \$980,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,495,000 NEW SECTION. Sec. 3216. FOR THE DEPARTMENT OF FISH AND
WILDLIFE Leque Island Highway 532 Road Protection (92000019)
Reappropriation:State Building Construction Account—State\$390,000Prior Biennia (Expenditures)\$290,000Future Biennia (Projected Costs)\$0TOTAL\$680,000

NEW SECTION. Sec. 3217. FOR THE DEPARTMENT OF FISH AND WILDLIFE Beebe Springs Development (92000026)
Reappropriation: State Building Construction Account—State\$640,000 Prior Biennia (Expenditures)\$1,251,000 Future Biennia (Projected Costs)\$0 TOTAL\$1,891,000
NEW SECTION. Sec. 3218. FOR THE DEPARTMENT OF FISH AND WILDLIFE Beebe Springs (92000034)
Reappropriation:State Building Construction Account—State\$497,000Prior Biennia (Expenditures)\$3,000Future Biennia (Projected Costs)\$0TOTAL\$500,000
NEW SECTION. Sec. 3219. FOR THE DEPARTMENT OF FISH AND WILDLIFE Minor Works Preservation (30000479)
Reappropriation: State Building Construction Account—State \$2,500,000 Prior Biennia (Expenditures) \$7,475,000 Future Biennia (Projected Costs) \$0 TOTAL \$9,975,000 NEW SECTION. Sec. 3220. FOR THE PUGET SOUND PARTNERSHIP Community Partnership Restoration Grants (30000007)
Reappropriation: General Fund—Federal \$1,575,000 Prior Biennia (Expenditures) \$50,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,625,000
NEW SECTION. Sec. 3221. FOR THE DEPARTMENT OF NATURAL RESOURCES Land Acquisition Grants (20052021)
Reappropriation: \$2,360,000
Appropriation: \$5,000,000 General Fund—Federal \$5,000,000 Prior Biennia (Expenditures) \$82,158,000 Future Biennia (Projected Costs) \$20,000,000 TOTAL \$109,518,000
NEW SECTION Sec. 3222. FOR THE DEPARTMENT OF NATURAL RESOURCES

Forest Legacy (30000060)

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General Fund—Federal	\$4,020,000
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Appropriation:

General Fund—Federal	\$14,000,000
Prior Biennia (Expenditures)	\$16,980,000
Future Biennia (Projected Costs)	\$56,000,000
TOTAL	\$91,000,000

<u>NEW SECTION.</u> Sec. 3223. FOR THE DEPARTMENT OF NATURAL RESOURCES

Forest Riparian Easement Program (30000198)

Appropriation:

State Building Construction Account—State	. \$3,500,000
Prior Biennia (Expenditures)	. \$2,999,000
Future Biennia (Projected Costs)	\$14,000,000
TOTAL	\$20,499,000

<u>NEW SECTION.</u> Sec. 3224. FOR THE DEPARTMENT OF NATURAL RESOURCES

Trust Land Transfer (30000200)

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

- (1) The appropriation is provided solely to the department to transfer from trust status, or enter into fifty year leases for, certain trust lands of statewide significance deemed appropriate for state park, fish and wildlife habitat, natural area preserve, natural resources conservation area, department of natural resources community forest open space, or recreation purposes. The approved list of properties for lease or transfer is identified in the LEAP capital document No. 2015-3, developed June 30, 2015.
- (2) Property transferred under this section must be appraised and transferred at fair market value. By September 30, 2015, the department must deposit in the common school construction account the portion of the appropriation in this section that represents the estimated value of the timber on the transferred properties. This transfer must be made in the same manner as timber revenues from other common school trust lands. No deduction may be made for the resource management cost account under RCW 79.64.040. The portion of the appropriation in this section that represents the value of the land transferred must be deposited in the natural resources real property replacement account.
- (3) Property subject to lease agreements under this section must be appraised at fair market value. Lease terms must be fifty years with options to renew for an additional fifty years. Lease payments must be lump sum payments for the entire term of the lease at the beginning of the lease. The department shall calculate such lump sum payments using professional appraisal standards. These lease payments may not exceed the fee simple purchase price based on current fair market value and must be deposited by the department to the common school construction account in the same manner as lease revenues from other

common school trust lands. No deduction may be made for the resource management cost account under RCW 79.64.040.

- (4) All reasonable costs incurred by the department to implement this section are authorized to be paid out of the appropriations. Authorized costs include the actual cost of appraisals, staff time, environmental reviews, surveys, and other similar costs and may not exceed one and nine-tenths percent of the appropriation.
- (5) Intergrant exchanges between common school and other trust lands of equal value may occur if the exchange is in the interest of each trust, as determined by the board of natural resources.
- (6) Prior to or concurrent with conveyance of these properties, the department, with full cooperation of the receiving agencies, shall execute and record a real property instrument that dedicates the transferred properties to the purposes identified in subsection (1) of this section. Fee transfer agreements for properties identified in subsection (1) of this section must include terms that perpetually restrict the use of the property to the intended purpose. Lease agreements for properties identified in subsection (1) of this section must include terms that restrict use of the property to the intended purpose for the term of the lease. Transfer and lease agreements may include provisions for receiving agencies to request alternative uses of the property, provided the alternative uses are compatible with the originally intended public purpose and the department and legislature approves such uses.
- (7) The department and receiving agencies shall work in good faith to carry out the intent of this section. However, the department or receiving agencies may remove a property from the transfer list based on new, substantive information, if it is determined that transfer of the property is not in the statewide interest of either the common school trust or the receiving agency.
- (8) By June 30, 2017, the state treasurer shall transfer to the common school construction account any unexpended balance of the appropriation in this section.

Appropriation:

State Building Construction Account—State	\$9,784,000
Prior Biennia (Expenditures)	\$115,735,000
Future Biennia (Projected Costs)	\$240,000,000
TOTAL	\$365,519,000

<u>NEW SECTION.</u> Sec. 3225. FOR THE DEPARTMENT OF NATURAL RESOURCES

Sustainable Recreation (30000207)

Appropriation:

State Building Construction Account—State	\$4,600,000
Prior Biennia (Expenditures)	\$2,500,000
Future Biennia (Projected Costs)	. \$18,400,000
TOTAL	. \$25,500,000

<u>NEW SECTION.</u> Sec. 3226. FOR THE DEPARTMENT OF NATURAL RESOURCES

Road Maintenance and Abandonment Plans (RMAP) (30000211)

Reappropriation:

State Building Construction Account—State	8,000
Prior Biennia (Expenditures)\$1,86	2,000
Future Biennia (Projected Costs)	\$0
TOTAL	0,000

<u>NEW SECTION.</u> Sec. 3227. FOR THE DEPARTMENT OF NATURAL RESOURCES

Rivers and Habitat Open Space Program (30000221)

Appropriation:

State Building Construction Account—State	\$1,000,000
Prior Biennia (Expenditures)	\$500,000
Future Biennia (Projected Costs)	\$8,000,000
TOTAL	\$9,500,000

<u>NEW SECTION.</u> Sec. 3228. FOR THE DEPARTMENT OF NATURAL RESOURCES

Trust Land Replacement (30000222)

Appropriation:

Comm/Tech College Forest Reserve Account—State	\$500,000
Nat Res Real Property Replacement—State	. \$30,000,000
Resources Management Cost Account—State	. \$30,000,000
Subtotal Appropriation	. \$60,500,000
Prior Biennia (Expenditures)	. \$50,500,000
Future Biennia (Projected Costs)	\$242,000,000
TOTAL	\$353,000,000

<u>NEW SECTION.</u> Sec. 3229. FOR THE DEPARTMENT OF NATURAL RESOURCES

State Forest Land Replacement (30000223)

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

- (1) The appropriation in this section is provided solely to the department to transfer from state forest land status to natural resources conservation area status certain state forest lands in Skamania county.
- (2) Property transferred under this section must be appraised and transferred at fair market value, without consideration of management or regulatory encumbrances associated with wildlife species listed under the federal endangered species act. The value of the timber and other valuable materials transferred must be distributed as provided in RCW 79.64.110. The value of the land transferred must be deposited in the park land trust revolving account and be used solely to buy replacement state forest land, consistent with RCW 79.22.060.
- (3) Prior to or concurrent with conveyance of these properties, the department shall execute and record a real property instrument that dedicates the transferred properties to the purposes identified in subsection (1) of this section. Transfer agreements for properties identified in subsection (1) of this section must include terms that restrict the use of the property to the intended purpose.
- (4) The department and Skamania county shall work in good faith to carry out the intent of this section. The department shall identify eligible properties for

transfer, consistent with subsection (1) of this section, in consultation with Skamania county, and may not execute any property transfers that are not in the statewide interest of either the state forest trust or the natural resources conservation area program.

Appropriation:

State Building Construction Account—State	\$3,000,000
Prior Biennia (Expenditures)	\$1,500,000
Future Biennia (Projected Costs)	\$6,000,000
TOTAL	\$10,500,000

<u>NEW SECTION.</u> Sec. 3230. FOR THE DEPARTMENT OF NATURAL RESOURCES

Forest Hazard Reduction (30000224)

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

- (1)(a) \$9,000,000 is provided solely for forest health hazard reduction treatments primarily on state lands, and within certain circumstances, on small nonindustrial private timber lands. The appropriation may be used for mechanical treatments, project planning, site preparation, permitting, or prescribed burning. Forest treatments to reduce insect, disease, and wildfire hazards on private lands, that protect state trust lands and mitigate the risk of large-scale damage, shall require a contract with the department of natural resources to provide at least a one-to-one nonstate or in-kind fund match, and to provide a fifteen-year landowner maintenance agreement. Satisfaction of the maintenance requirement at fifteen years is defined, at minimum, as returning the property's forest conditions to the original contract specifications for tree spacing and fuel loading. A landowner failing to meet the maintenance requirement is responsible for recompensing the full amount of state funding received.
- (b) A minimum of \$800,000 of this appropriation must be spent on restoration activities on department of fish and wildlife managed lands. The department of natural resources must work with the department of fish and wildlife to prioritize and conduct these forest hazard reduction treatments.
- (2) \$1,000,000 is provided solely for grants to local communities, counties, fire districts, and conservation districts to establish new firewise communities and complete near-term actions to increase public safety. The department must implement policies and procedures to follow by local communities, counties, fire districts, and conservation districts that seek to enroll in the firewise program.

Appropriation:

State Building Construction Account—State	. \$10,000,000
Prior Biennia (Expenditures)	\$4,000,000
Future Biennia (Projected Costs)	. \$20,000,000
TOTAL	. \$34,000,000

<u>NEW SECTION.</u> Sec. 3231. FOR THE DEPARTMENT OF NATURAL RESOURCES

Department of Natural Resources Olympic Region Shop Fire Recovery (30000225)

Appropriation:
State Building Construction Account—State
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs). \$0
TOTAL
<u>NEW SECTION.</u> Sec. 3232. FOR THE DEPARTMENT OF NATURAL
RESOURCES
Blanchard Working Forest (30000231)
Appropriation:
State Building Construction Account—State
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)
TOTAL
NEW SECTION. Sec. 3233. FOR THE DEPARTMENT OF
NATURAL RESOURCES 2015-2017 Minor Works Programmatic (30000237)
2013-2017 Williof Works Flogrammatic (30000237)
Appropriation:
State Building Construction Account—State\$250,000
Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0
TOTAL
NEW SECTION. Sec. 3234. FOR THE DEPARTMENT OF
NATURAL RESOURCES
2015-2017 Minor Works Preservation (30000238)
Appropriation:
State Building Construction Account—State
State Building Constitution Recount State
Prior Biennia (Expenditures)\$0
Prior Biennia (Expenditures)
Prior Biennia (Expenditures)
Prior Biennia (Expenditures)

Contaminated Sites Cleanup and Settlement (30000240)

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

- (1) \$261,000 is provided solely for the state's share of liability under the model toxics control act for the cleanup of lead contamination at a rock pit now owned by plum creek timber company.
- (2) \$95,000 is provided solely for the contaminated soils cleanup at the Cedar creek correction center.
- (3) \$125,000 is provided solely for the webster nursery pesticides and groundwater cleanup.
- (4) \$375,000 is provided solely for the underground storage tank cleanup of contaminated soils of an old fueling station at the department of natural resources, SE region headquarters' parking lot that is within the city of Ellensburg new drinking water supply wellhead protection area.

Appropriation:

Environmental Legacy Stewardship Account—State \$856,00 Prior Biennia (Expenditures) \$ Future Biennia (Projected Costs) \$ TOTAL \$856,00	80 80
NEW SECTION. Sec. 3236. FOR THE DEPARTMENT ON NATURAL RESOURCES Natural Areas Facilities Preservation and Access (30000241)	
Appropriation: State Building Construction Account—State \$3,100,00 Prior Biennia (Expenditures) \$ Future Biennia (Projected Costs) \$8,000,00 TOTAL \$11,100,00	00 00
NEW SECTION. Sec. 3237. FOR THE DEPARTMENT ON NATURAL RESOURCES Road Maintenance and Abandonment Plan (RMAP) (91000040)	F
Appropriation: State Building Construction Account—State \$5,000,000 Prior Biennia (Expenditures) \$6,594,000 Future Biennia (Projected Costs) \$5,424,000 TOTAL \$17,018,000 NEW SECTION. Sec. 3238. FOR THE DEPARTMENT O)() ()() ()()
NATURAL RESOURCES Puget Sound Corps (91000046)	'F
The appropriation in this section is subject to the following conditions ar limitations: (1) \$1,200,000 of the state building construction account—state is provide solely for implementation of chapter 191, Laws of 2015 (concerning the management of forage fish resources). (2) The remainder of the appropriation is provided solely for the Pug Sound corps projects. Portions of the appropriation may be used by the Pug Sound corps to install fishing line collection and recycling devices, provided the department of fish and wildlife designs and supplies the devices, ar specifies where they should be installed.	ed he get get
Reappropriation: Aquatic Lands Enhancement Account—State\$200,00)0
Appropriation: State Building Construction Account—State \$8,000,00 Prior Biennia (Expenditures) \$12,800,00 Future Biennia (Projected Costs) \$24,000,00 TOTAL \$45,000,00	00

Barbeque Flats Road Access (91000081)

 $\underline{\text{NEW}}$ SECTION. Sec. 3239. FOR THE DEPARTMENT OF NATURAL RESOURCES

Reappropriation:

State Building Construction Account—State	\$480,000
Prior Biennia (Expenditures)	\$20,000
Future Biennia (Projected Costs)	\$0
TOTAL	

$\underline{\text{NEW}}$ SECTION. Sec. 3240. FOR THE DEPARTMENT OF NATURAL RESOURCES

Quinault Coastal Forest and Watershed Restoration Grant (92000019)

Reappropriation:

State Building Construction Account—State	\$500,000
Prior Biennia (Expenditures)	\$1,300,000
Future Biennia (Projected Costs)	\$0
TOTAL	

*<u>NEW SECTION.</u> Sec. 3241. FOR THE DEPARTMENT OF NATURAL RESOURCES

Research on Transfer of Federal Lands to Washington State (91000085)

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

- (1) The legislature intends to study the feasibility of acquiring certain federal lands for possible inclusion in the various trust lands managed by the department of natural resources. The appropriation is provided solely for the department to contract with the Washington state institute for public policy.
- (2) The Washington state institute for public policy shall research the potential costs, revenues, and policy impacts of transferring certain federal lands to state ownership. The Washington state institute for public policy may contract with higher education institutions or private consultants as necessary, may consult as needed with legislative staff, and must work with the Washington economic and revenue forecast council for modeling consistency.
- (3) The research shall focus primarily on federal forest and range lands. Federal lands to be excluded are: National parks; national historic areas or sites; national recreational areas; national volcanic areas; designated national wilderness preservation system lands; United States military or department of energy lands; and Indian tribal lands.
- (4) By December 1, 2016, the Washington state institute for public policy must submit a report to appropriate legislative committees that presents its findings including:
- (a) Potential costs to the state of: (i) Land management related to wildfires, forest health, invasive species management, and public access; (ii) addressing deferred forest health issues and ongoing maintenance; (iii) payments in lieu of taxes; (iv) state program development; and (v) other potential costs.
- (b) Potential revenues to the state from: (i) Current and increased timber cut-rates; (ii) mineral lease revenues; (iii) recreation fees; (iv) grazing fees; (v) permanent common school account investment income; and (vi) other potential revenues.
- (c) Policy research related to the endangered species act, the mining law of 1872, and other relevant federal-state impacts; and

- (d) Estimated fiscal impacts, including impacts on trust revenues over a one hundred-year period, if the state were to sell all newly acquired federal lands and all existing state-owned public lands.
- (5) By December 1, 2015, the Washington state institute for public policy must submit a preliminary report to appropriate legislative committees that (a) summarizes any initial findings; and (b) subject to legislative approval, outlines the remaining scope of work, timelines and approach.

Appropriation:

Resources Management Cost Account—State	\$500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	
Sec. 3241 was vetoed. See message at end of chapter.	

${ m \underline{NEW}}$ SECTION. Sec. 3242. FOR THE DEPARTMENT OF AGRICULTURE

Animal Disease Traceability (91000004)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation in this section is provided solely for the department to work with industry partners to continue and to enhance development of the in-state animal disease traceability system. The reappropriation shall be used to develop or enhance electronic cattle transaction reporting, electronic certificate of veterinary inspection, and, as resources permit, electronic livestock inspection systems.

Reappropriation:

Public Facility Construction Loan Revolving
Account—State
Prior Biennia (Expenditures)\$632,000
Future Biennia (Projected Costs)\$6
TOTAL

<u>NEW SECTION.</u> Sec. 3243. FOR THE DEPARTMENT OF AGRICULTURE

Grants to Improve Safety and Access at Fairs (91000005)

Appropriation:

proprietion.	
State Building Construction Account—State	\$2,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	

PART 4 TRANSPORTATION

<u>NEW SECTION.</u> Sec. 4001. FOR THE WASHINGTON STATE PATROL

FTA Access Road Reconstruction (30000059)

Appropriation:

Fire Service Training Account—State. \$900,000 Prior Biennia (Expenditures). \$0 Future Biennia (Projected Costs). \$950,000 TOTAL. \$1,850,000 NEW SECTION. Sec. 4002. FOR THE WASHINGTON STATE PATROL Fire Training Academy Burn Building Replacement (30000071)
Reappropriation:Fire Service Training Account—State\$200,000Prior Biennia (Expenditures)\$1,300,000Future Biennia (Projected Costs)\$0TOTAL\$1,500,000
NEW SECTION. Sec. 4003. FOR THE WASHINGTON STATE
PATROL FTA Campus Communication Infrastructure Improvement (30000101)
Appropriation:
Fire Service Training Account—State\$400,000
Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0
TOTAL
PART 5
EDUCATION
NEW SECTION. Sec. 5001. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION Pierce County Skills Center (20084856)
Reappropriation:
State Building Construction Account—State
Account—State
Subtotal Reappropriation
Prior Biennia (Expenditures) \$30,083,000 Future Biennia (Projected Costs) \$0
TOTAL
<u>NEW SECTION.</u> Sec. 5002. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION
2007-09 School Construction Assistance Grant Program (20084200)
Reappropriation:Common School Construction Account—State\$283,000Prior Biennia (Expenditures)\$791,476,000Future Biennia (Projected Costs)\$0TOTAL\$791,759,000
<u>NEW SECTION.</u> Sec. 5003. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Northeast King County Skills Center (20084855)
Reappropriation: School Construction and Skill Centers Building Account (Bonds)—State
Prior Biennia (Expenditures) \$8,561,000 Future Biennia (Projected Costs) \$0 TOTAL \$8,602,000
NEW SECTION. Sec. 5004. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION 2009-11 School Construction Asst. Grant Program (30000031)
The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 5004, chapter 19, Laws of 2013 2nd sp. sess.
Reappropriation:Common School Construction Account—State\$7,968,000Prior Biennia (Expenditures)\$389,161,000Future Biennia (Projected Costs)\$0TOTAL\$397,129,000
NEW SECTION. Sec. 5005. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION 2011-13 School Construction Assistance Program (30000071)
Reappropriation: Common School Construction Account—State \$60,935,000 Prior Biennia (Expenditures) \$497,839,000 Future Biennia (Projected Costs) \$0 TOTAL \$558,774,000
NEW SECTION. Sec. 5006. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION Yakima Valley Technical Skills Center (30000076)
Reappropriation:State Building Construction Account—State\$2,060,000Prior Biennia (Expenditures)\$21,503,000Future Biennia (Projected Costs)\$0TOTAL\$23,563,000
NEW SECTION. Sec. 5007. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION SEA-Tech Branch Campus of Tri-Tech Skills Center (30000078)
Reappropriation:State Building Construction Account—State\$338,000Prior Biennia (Expenditures)\$11,181,000Future Biennia (Projected Costs)\$0TOTAL\$11,519,000
NEW SECTION. Sec. 5008. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Grant County Branch Campus of Wenatchee Valley Skills Center

(30000091) Grant County Branch Campus of Wenatchee Valley Skills Center
Reappropriation: State Building Construction Account—State \$1,183,000 Prior Biennia (Expenditures) \$18,225,000 Future Biennia (Projected Costs) \$0 TOTAL \$19,408,000 NEW SECTION. Sec. 5009. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION Clark County Skills Center (30000093)
Reappropriation: State Building Construction Account—State \$1,100,000 Prior Biennia (Expenditures) \$6,801,000 Future Biennia (Projected Costs) \$0 TOTAL \$7,901,000 NEW SECTION. Sec. 5010. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION 2013-15 School Construction Assistance Program - Maintenance (30000145)
The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 5020, chapter 19, Laws of 2013 2nd sp. sess. and section 6022 of this act.
Reappropriation: State Building Construction Account—State \$255,339,000 Prior Biennia (Expenditures) \$132,250,000 Future Biennia (Projected Costs) \$0 TOTAL \$387,589,000 NEW SECTION. Sec. 5011. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION Tri-Tech Skills Center East Growth (30000159)
The appropriation in this section is subject to the following conditions and limitations: (1) Funding is provided solely as a grant to constitute local funding available to the Tri-tech skills center in order to be eligible for state funding assistance through the school construction assistance program pursuant to RCW

(2) Funds provided in this section may not be used for any project with total project costs per square foot that exceed the construction cost allocation for calculating state funding assistance in subsection (1) by more than thirty-five percent.

Appropriation:

28A.525.166.

State Building Construction Account—State	\$1,702,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	\$1,702,000

${ m \underline{NEW}}$ SECTION. Sec. 5012. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Capital Program Administration (30000165)

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

- (1) The superintendent of public instruction shall publish to its web site and report to the office of financial management, the appropriate committees of the legislature, and the legislative evaluation and accountability program a list of local school district projects submitted for school construction assistance within seven business days of the grant program deadline. The report must be updated within seven days following the superintendent of public instruction's final grant award decisions. Prior versions of the report must be maintained on the web site in order to monitor changes in estimates as the grant process progresses. The report must include, but not be limited to:
 - (a) School district:
 - (b) Project name;
 - (c) Estimated square footage by proposed project type;
- (d) Estimated total of all project costs and estimated total construction contract cost;
 - (e) Funding sources and election dates, if applicable; and
 - (f) Intent to front-fund the project.
- (2) The superintendent of public instruction shall provide to the office of financial management and the legislative evaluation and accountability program committee in electronic database form the following:
- (a) Study and survey information beginning with grants awarded July 1, 2015, or later; and
 - (b) All available inventory and condition of schools data.
- (3) The office of the superintendent of public instruction shall contract with educational service district 112 construction services group to perform an analysis of school construction costs. The analysis must include a significant sample of new and modernization school construction projects completed over the past ten years, with costs adjusted for construction inflation. The analysis must determine the major sources of variation in total school construction costs among different kinds of projects, districts, and regions. The analysis must estimate the cost difference due to variations in:
 - (a) The size of the project including the size per expected enrollment;
 - (b) Whether it is a new school or modernization project;
- (c) Whether it is an elementary school, middle school, high school, or skills center;
- (d) The extent of specialized higher cost facilities such as laboratories, shops, performing arts and indoor athletic facilities;
- (e) Delivering specialized programs at skill centers including but not limited to: Dental and medical assisting, mechanical and engineering programs, first responder training, culinary programs, cyber security, and others;
 - (f) Site requirements;
- (g) Durability of construction materials, finishes, building system components, and general life expectancy of the building; and

- (h) Other design and construction feature that may contribute to cost variations.
- (4) The office of the superintendent of public instruction must prepare a report on the findings from subsection (3) of this section and submit the report to the appropriate committees of the legislature and the office of financial management by September 1, 2016.

Appropriation:

Common School Construction Account—State	\$2,924,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$12,244,000
TOTAL	\$15,168,000

<u>NEW SECTION.</u> Sec. 5013. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

2015-17 School Construction Assistance Program (30000169)

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

- (1) \$990,000 of the common school construction account—state is provided solely for the Spokane Valley technical skills center to construct five science classrooms.
- (2) \$675,000 of the common school construction account—state is provided solely for study and survey grants. In calculating study and survey grants, for the 2015-2017 fiscal biennium, the office of the superintendent of public instruction shall award no more than fifty percent of the dollar amount for the minimum grants and square footage allocations. School districts receiving these grants in the 2015-2017 fiscal biennium must use data collected or validated by the Washington State University extension energy office for the inventory and condition of existing school facilities.
- (3) School districts receiving funding through the 2015-17 school construction assistance program must map the design of new facilities and remap the design of facilities to be remodeled.
- (4) The office of the superintendent of public instruction must weight and prioritize grant requests on the following criteria and in the following order: (a) Will provide facility capacity needs to reduce kindergarten through third grade class sizes at high poverty schools; (b) will provide facility capacity needs to reduce kindergarten through third grade class sizes in remaining schools.
- (5) The office of the superintendent of public instruction must expedite allocation and distribution of any eligible funds under the school construction assistance grant program for the appropriations provided to the superintendent of public instruction in this act for distressed schools, STEM pilot projects, or skill centers. For purposes of determining state funding assistance, eligible area must be calculated as follows: (a) Eligible area for STEM pilot projects is 1,440 square feet per science lab or classroom combination, or both; and 1,040 square feet per science classroom. Total eligible area per STEM pilot project must not exceed 15,840 square feet; (b) eligible area for skill centers is gross square feet of the proposed project as submitted to the office of financial management as requested by the superintendent for consideration in the 2015-2017 capital budget. Eligible area for the Spokane Valley technical skills center must not

exceed 5,400 square feet, and; (c) eligible area for replacement of the cafeteria at Marysville-Pilchuck high school is 13,500 square feet.

Appropriation:

State Building Construction Account—State	\$302,121,000
Common School Construction Account—State	\$305,978,000
Common School Construction Account—Federal	\$3,000,000
Subtotal Appropriation	\$611,099,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$3,638,150,000
TOTAL	\$4,249,249,000

$\underline{\text{NEW SECTION.}}$ Sec. 5014. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Healthy Kids - Healthy Schools Grants (91000406)

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

- (1) The office of the superintendent of public instruction, after consulting with maintenance and operations administrators of school districts and the department of health, shall develop criteria for providing funding and outcomes for specific projects to stay within the appropriation level provided in this section consistent with the healthiest next generation priorities. The criteria must include, but are not limited to, the following: (a) Districts or schools may apply for grants but no single district may receive more than \$200,000 of the appropriation; (b) requiring any district receiving funding provided in this section to demonstrate a consistent commitment to addressing school facilities' needs; and (c) prioritizing applicants with a high percentage of students who are eligible and enrolled in the free and reduced-price meals program.
- (2) A maximum of \$1,000,000 of the appropriation is for the purchase and installation of water bottle filling stations.
- (3) The remainder of the appropriation may be used to purchase equipment or make repairs and renovations related to improving children's health and may include, but are not limited to, the following: (a) Fitness playground equipment, covered play, physical education equipment or related structures or renovation; (b) garden related structures and greenhouses to provide students access to fresh produce; and (c) kitchen equipment or upgrades.
- (4) The office of the state treasurer must manage the issuance of bonds associated with these grants so as to incur the lowest possible cost of funds in recognition of the short useful life of the equipment purchased with the bond proceeds.

Appropriation:

State Building Construction Account—State	. \$5,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	. \$5,000,000

$\underline{\text{NEW}}$ SECTION. Sec. 5015. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Energy Efficiency Grants for K-12 Schools (91000017)

Reappropriation:

State Building Construction Account—State\$415,000Prior Biennia (Expenditures)\$39,585,000Future Biennia (Projected Costs)\$0TOTAL\$40,000,000
NEW SECTION. Sec. 5016. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION Distressed Schools (91000024)
The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 5021, chapter 19, Laws of 2013 2nd sp. sess.
Reappropriation:State Building Construction Account—State\$10,000,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$0TOTAL\$10,000,000
NEW SECTION. Sec. 5017. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION Energy Efficiency Grants for K-12 Schools (91000025)
Reappropriation:State Building Construction Account—State\$4,186,000Prior Biennia (Expenditures)\$2,814,000Future Biennia (Projected Costs)\$0TOTAL\$7,000,000
NEW SECTION Sec. 5018. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION San Juan Island School District STEM Vocational Bldg Renovation (91000027)
Reappropriation: State Building Construction Account—State \$166,000 Prior Biennia (Expenditures) \$834,000 Future Biennia (Projected Costs) \$0 TOTAL \$1,000,000 NEW SECTION. Sec. 5019. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION
Wenatchee Valley Skills Center (92000004) Reappropriation:
State Building Construction Account—State\$2,167,000Prior Biennia (Expenditures)\$7,333,000Future Biennia (Projected Costs)\$0TOTAL\$9,500,000
NEW SECTION. Sec. 5020. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION NEWTECH (Spokane Area (92000005) Professional-Technical Skills Center)

The appropriations in this section are subject to the following conditions and limitations: Funding is provided solely to the NEWTECH (Spokane area professional-technical skills center) to modernize a science, technology, engineering, and mathematics building. The skill center may not be eligible for additional state funding assistance through the school construction assistance program pursuant to RCW 28A.525.166.

Reappropriation:

	State Building Construction Account—State	\$7,786,000
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Appropriation:

propriation.	
State Building Construction Account—State	. \$7,493,000
School Construction and Skill Centers Building	
Account	\$657,000
Subtotal Appropriation	. \$8,150,000
Prior Biennia (Expenditures)	. \$5,901,000
Future Biennia (Projected Costs)	\$0
TOTAL	

$\underline{\text{NEW}}$ SECTION. Sec. 5021. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Puget Sound Skills Center (92000007)

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

- (1) Funding is provided solely to the Puget Sound skills center to construct a health sciences building. The skill center may not be eligible for additional state funding assistance through the school construction assistance program pursuant to RCW 28A.525.166.
- (2) The skill center must negotiate an agreement with the King county public health department to provide periodic monitoring of the dental clinic operations in the health sciences building.

Reappropriation:

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State Ruilding	Construction	Account—State	
State Dunume		Account—State	

Appropriation:

State Building Construction Account—State
Prior Biennia (Expenditures)
Future Biennia (Projected Costs)\$0
TOTAL \$20,933,000

$\underline{\text{NEW}}$ SECTION. Sec. 5022. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Distressed Schools (92000009)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 602, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$510,000
Prior Biennia (Expenditures)	\$26.890.000

Future Biennia (Projected Costs)			\$0
TOTAL			
NEW SECTION. Sec. 5023.	FOR THE	SUPERINTENDENT	OF
PUBLIC INSTRUCTION			
Yakima Valley Technical Skills C	enter Sunnysi	de Satellite (92000013)	
Reappropriation:		Φ2.42	2 000
State Building Construction Acco	uintState	\$ 3/1 -	

State Building Construction Account—State	\$343,000
Prior Biennia (Expenditures)	\$5,882,000
Future Biennia (Projected Costs)	\$0
TOTAL	

NEW SECTION. Sec. 5024. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

School Security Improvement Grants (92000015)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 5025, chapter 19, Laws of 2013 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	. \$5,756,000
Prior Biennia (Expenditures)	\$900,000
Future Biennia (Projected Costs)	\$0
TOTAL	. \$6,656,000

NEW SECTION. Sec. 5025. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Delta High School (92000017)

Reappropriation:

State Building Construction Account—State	\$3,228,000
Prior Biennia (Expenditures)	\$2,172,000
Future Biennia (Projected Costs)	
TOTAL	

NEW SECTION. Sec. 5026. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

STEM Pilot Program (91000402)

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

- (1) The amounts in this section are provided solely for the superintendent of public instruction to provide STEM pilot project grants to school districts. These grants constitute the districts' local funding for purposes of eligibility for the school construction assistance program under RCW 28A.525.166. Subject to the terms in this section, school districts are eligible to receive grants if they have a special housing burden due to lack of sufficient space for science classrooms and labs to enable students to meet statutory graduation requirements.
- (2) The superintendent shall award grants to eligible school districts under the following conditions:
- (a) A district must demonstrate a lack of sufficient space of science classrooms and labs to facilitate meeting statutory graduation requirements;

- (b) The district has secured private donations of cash, like-kind, or equipment in a value of no less than \$100,000. Before the superintendent may provide funding assistance through the school construction assistance program, the district must provide verification of the donation to the superintendent;
- (c) At least one grant award is made to school districts located in southwest Washington;
- (d) At least one grant award is made to school districts located in the Puget Sound region; and
- (e) At least two grant awards are made to school districts located east of the Cascade mountains.
- (3) The STEM pilot project grants program must be administered by the superintendent of public instruction in consultation with the STEM education innovation alliance specified in RCW 28A.188.030 and the statewide STEM organization specified in RCW 28A.188.050. The superintendent of public instruction must develop grant application materials and criteria in consultation with the statewide STEM organization, must review applications for accuracy and financial reasonableness, and must administer awarded grants. With funds specifically appropriated for this purpose, the superintendent of public instruction must contract with the statewide STEM organization specified in RCW 28A.188.050 to evaluate applications against the criteria developed for the program and develop a single prioritized list. The superintendent of public instruction must award grants within the appropriated funding and may only depart from the recommended prioritized list after notifying the office of financial management and the appropriate committees of the legislature with an explanation of the reasons for departing from the list. The criteria must include, but are not limited to, the following:
- (a) Priority for school districts that secure private donations of cash, likekind, or equipment in value no less than \$100,000 weighted by the ratio of school district enrollments to value of donation;
- (b) A district's ability to raise funds through levies or bonds in the prior tenyear period;
- (c) Priority for applicants with a high percentage of students who are eligible and enrolled in the free and reduced-price meals program;
- (d) The extent that existing STEM facilities are inadequate including the lack of adequate STEM facilities to meet graduation requirements in RCW 28A.150.220;
- (e) A demonstration that existing STEM faculty are in place and are qualified to deliver an interactive, project-based STEM curriculum in the proposed specialized STEM facilities, or a plan and budget are in place to recruit or train such STEM faculty;
- (4) For purposes of grant applications made in the 2015-2017 biennium, additional square footage funded through this grant program is excluded from the school district's inventory of available educational space for determining eligibility for state assistance for new construction for (a) five years following acceptance of the project by the school district board of directors, or (b) the date of the final review of the latest study and survey of the affected school district following acceptance of the project by the school district board of directors; whichever date is earliest.

- (5) Each school district is limited to one grant award of no more than \$4,000,000.
- (6) The office of the superintendent of public instruction may charge fees consistent with capital budget guidelines established by the office of financial management for administering the grants.
- (7) The superintendent of public instruction must report to the appropriate committees of the legislature and the office of financial management on the timing and use of the funds by the end of each fiscal year, until the funds are fully expended.
- (8) \$200,000 of the appropriation is provided for the contract with the statewide STEM organization specified in RCW 28A.188.050.

Appropriation:

State Building Construction Account—State	\$12,500,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	

$\underline{\text{NEW}}$ SECTION. Sec. 5027. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

Distressed Schools (91000404)

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

- (1) \$10,000,000 of the appropriation in this section is provided solely for renovations of Magnolia elementary school and E.C. Hughes elementary school.
- (2) \$5,000,000 of the appropriation is provided solely for the replacement of the Marysville Pilchuck high school cafeteria.

Appropriation:

State Building Construction Account—State	\$15,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	\$15,000,000

$\underline{\text{NEW}}$ SECTION. Sec. 5028. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

K-3 Class-Size Reduction Grants (92000039)

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

- (1) \$10,000,000 of this appropriation is provided solely for Seattle public schools to provide additional state assistance for public school facilities necessary to support all-day kindergarten and class size reduction in kindergarten through third grade.
- (2) The remaining appropriation is for the K-3 class size reduction construction pilot grant program specified in section 201, chapter . . . (Engrossed Substitute Senate Bill No. 6080), Laws of 2015, 3rd sp. sess. to provide additional state assistance for public school facilities necessary to support all-day kindergarten and class size reduction in kindergarten through third grade.
- (3) Within the remaining appropriation, a maximum of \$750,000 is provided for the office of superintendent of public instruction to administer the K-3 class

size reduction construction grant pilot program. The office may not use these funds for indirect costs.

- (4) Should Seattle public schools have received additional state funds, in excess of the block grant provided in subsection (1) of this section, through the K-3 class size reduction construction grant pilot program, Seattle public schools may receive the amount provided by the calculated grant in the pilot program in excess of the block grant.
- (5) The funding provided in subsection (1) of this section may not constitute local funding available to the Seattle public schools in order to be eligible for state funding assistance through the school construction assistance program pursuant to RCW 28A.525.166.

Appropriation: State Building Construction Account—State\$200,000,000
State Building Construction Account—State \$200,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$200,000,000
NEW SECTION. Sec. 5029. FOR THE STATE SCHOOL FOR THE BLIND General Campus Preservation (30000033)
Reappropriation: State Building Construction Account—State \$100,000 Prior Biennia (Expenditures) \$400,000 Future Biennia (Projected Costs) \$0 TOTAL \$500,000 NEW SECTION. Sec. 5030. FOR THE STATE SCHOOL FOR THE BLIND
General Campus Preservation (30000088)
Appropriation: State Building Construction Account—State \$640,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$1,920,000 TOTAL \$2,560,000 NEW SECTION. Sec. 5031. FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS
Minor Works - Preservation (30000025)
Appropriation: State Building Construction Account—State \$500,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$2,000,000 TOTAL \$2,500,000
NEW SECTION. Sec. 5032. FOR THE UNIVERSITY OF WASHINGTON Denny Hall Renovation (20081002)
Reappropriation:

Prior Biennia (Expenditures) \$5,590,00 Future Biennia (Projected Costs) \$32,890,00	60
TOTAL \$32,890,000 NEW SECTION Sec. 5033. FOR THE UNIVERSITY OF WASHINGTON Lewis Hall Renovation (20081003)	F
Reappropriation: State Building Construction Account—State \$150,00 Prior Biennia (Expenditures) \$3,915,00 Future Biennia (Projected Costs) \$ TOTAL \$4,065,00	00 80
NEW SECTION. Sec. 5034. FOR THE UNIVERSITY OF WASHINGTON Burke Museum (20082850)	
Reappropriation: State Building Construction Account—State)0
Appropriation: State Building Construction Account—State \$26,000,00 Prior Biennia (Expenditures) \$3,150,00 Future Biennia (Projected Costs) \$24,200,00 TOTAL \$54,000,00	00
NEW SECTION. Sec. 5035. FOR THE UNIVERSITY OF WASHINGTON Health Sciences Education Phase I - T-Wing Renovation/Addition (30000486)	F
Appropriation: State Building Construction Account—State \$623,00 Prior Biennia (Expenditures) \$5 Future Biennia (Projected Costs) \$93,377,00 TOTAL \$94,000,00	\$0 00
<u>NEW SECTION.</u> Sec. 5036. FOR THE UNIVERSITY OF WASHINGTON	F

University of Washington Bothell (30000378)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for predesign, which may also serve as bridging documents, design, competition honoraria, project management, and other planning activities including permits. The building may be delivered using design build, as defined by chapter 39.10 RCW with a guarantee for energy, operations, and maintenance performance. The term for performance guarantee must not be less than one year. The state may use state employees for services not related to building performance. Criteria for selecting the design build contractor must include life cycle costs, energy costs, or energy use index. Contractors, and architectural and engineering firms may be eligible for additional points during the scoring process if they have experience with the state agency, or if they are considered a small business. The building

must be built using sustainable building standards as defined in section 7008 of this act.

Appropriation: State Building Construction Account—State \$500,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$57,600,000 TOTAL \$58,100,000
TOTAL
Reappropriation: University of Washington Building Account—State. \$4,200,000 Prior Biennia (Expenditures). \$42,554,000 TOTAL \$46,754,000
NEW SECTION. Sec. 5038. FOR THE UNIVERSITY OF WASHINGTON School of Nursing Simulation Learning Lab (30000600)
Appropriation: State Building Construction Account—State \$4,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$4,000,000
NEW SECTION. Sec. 5039. FOR THE UNIVERSITY OF WASHINGTON Health Sciences Interprofessional Education Classroom Phase I (30000602)
Appropriation: State Building Construction Account—State \$2,710,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$2,710,000
State Building Construction Account—State
State Building Construction Account—State \$2,710,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$2,710,000 NEW SECTION. Sec. 5040. FOR THE UNIVERSITY OF WASHINGTON Computer Science and Engineering Expansion (30000603) Appropriation: State Building Construction Account—State \$17,500,000 University of Washington Building Account—State \$15,000,000 Subtotal Appropriation \$32,500,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0
State Building Construction Account—State \$2,710,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$2,710,000 NEW SECTION. Sec. 5040. FOR THE UNIVERSITY OF WASHINGTON Computer Science and Engineering Expansion (30000603) Appropriation: State Building Construction Account—State \$17,500,000 University of Washington Building Account—State \$15,000,000 Subtotal Appropriation \$32,500,000 Prior Biennia (Expenditures) \$0

University of Washington Building Account—State \$28,175,000
Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$172,700,000
TOTAL
NEW SECTION. Sec. 5042. FOR THE UNIVERSITY OF
WASHINGTON Preventive Facility Maintenance and Building System Repairs (30000714)
Appropriation:
University of Washington Building Account—State. \$25,825,000 Prior Biennia (Expenditures) \$0
Future Biennia (Projected Costs)
TOTAL \$129,125,000 NEW SECTION Sec. 5043. FOR THE UNIVERSITY OF
WASHINGTON University of Washington Tacoma Classroom Building Renovation - Urban Solutions Center (91000014)
Reappropriation: State Building Construction Account—State\$500,000
Appropriation: State Building Construction Account—State \$16,000,000 Prior Biennia (Expenditures) \$1,400,000 Future Biennia (Projected Costs) \$0 TOTAL \$17,900,000 NEW SECTION. Sec. 5044. FOR THE UNIVERSITY OF WASHINGTON University of Washington Tacoma Campus Soil Remediation (92000002)
Appropriation: State Toxics Control Account—State \$1,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$4,000,000 TOTAL \$5,000,000
<u>NEW SECTION.</u> Sec. 5045. FOR THE UNIVERSITY OF WASHINGTON
Center for Advanced Materials and Clean Energy Research Test Beds (91000016)
Appropriation: State Building Construction Account—State \$9,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$9,000,000
NEW SECTION. Sec. 5046. FOR THE WASHINGTON STATE UNIVERSITY Washington State University Pullman - Troy Hall Renovation (20061030)
Reappropriation:

State Building Construction Account—State\$850,000Washington State University Building Account—State\$400,000Subtotal Reappropriation\$1,250,000
Appropriation: State Building Construction Account—State \$20,682,000 Washington State University Building Account—State \$9,600,000 Subtotal Appropriation \$30,282,000 Prior Biennia (Expenditures) \$771,000 Future Biennia (Projected Costs) \$0 TOTAL \$32,303,000
NEW SECTION. Sec. 5047. FOR THE WASHINGTON STATE UNIVERSITY Clean Technology Laboratory (30000069)
Reappropriation:State Building Construction Account—State\$8,000,000Prior Biennia (Expenditures)\$24,835,000Future Biennia (Projected Costs)\$0TOTAL\$32,835,000
NEW SECTION. Sec. 5048. FOR THE WASHINGTON STATE UNIVERSITY 2013-15 Minor Works - Preservation, Safety, and Infrastructure (30000849)
Reappropriation: State Building Construction Account—State
NEW SECTION. Sec. 5049. FOR THE WASHINGTON STATE UNIVERSITY 2015-17 Minor Works - Preservation (30001188)
Appropriation: Washington State University Building Account— State \$27,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$134,340,000 TOTAL \$161,340,000 NEW SECTION. Sec. 5050. FOR THE WASHINGTON STATE UNIVERSITY Washington State University Tri-Cities - Academic Building (30001190)
Appropriation: Washington State University Building Account— State

NEW SECTION. Sec. 5051. FOR THE WASHINGTON STATE UNIVERSITY
Preventive Facility Maintenance and Building System Repairs (30001324)
Appropriation: Washington State University Building Account— State \$10,115,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$10,115,000
NEW SECTION. Sec. 5052. FOR THE WASHINGTON STATE UNIVERSITY Everett University Center (91000026)
Reappropriation: State Building Construction Account—State
State Building Construction Account—State
Future Biennia (Projected Costs)

UNIVERSITY Sec. 5055. FOR THE WASHINGTON STATE

Joint Center for Deployment and Research in Earth Abundant Materials (91000029)

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

- (1) Funding is provided solely for capital improvements, infrastructure, and equipment, to support: (a) A transformative program in earth-abundant materials to accelerate the development of next generation clean energy and transportation technologies in Washington; (b) a coordinated framework and resources that can facilitate and promote multi-institution collaborations to drive research, development, and deployment efforts in the use of earth-abundant materials for manufactured clean technologies or recycling of advanced materials used in clean technologies; and (c) environmentally responsible processes in the areas of manufacturing and recycling of advanced materials used in clean technologies.
- (2) Administration of the appropriation is under the authority of the Washington State University in collaboration with the University of Washington. Washington State University and the University of Washington, in consultation with the regional universities, the Pacific Northwest national laboratory, and industry experts, shall develop criteria for providing grant funding for specific projects at public four-year institutions of higher education to stay within the appropriation level provided in this section. Funding for administrative offices may be provided for administrative offices west of the crest of the Cascade mountains only.

(3) The office of the state treasurer must manage the issuance of bonds associated with these grants so as to incur the lowest possible cost of funds in recognition of the short useful life of the equipment purchased with the bond proceeds.

Appropriation:

p10p11w1011.	
State Building Construction Account—State	. \$2,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	

$\underline{\text{NEW SECTION.}}$ Sec. 5054. FOR THE WASHINGTON STATE UNIVERSITY

Inventory and Condition of Schools Data Collection (91000033)

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

- (1) The legislature intends to complete the data collection, input, and verification of the inventory and condition of public school facilities in order to make informed decisions about K-12 school facility data collection processes and classroom capacity needs to fulfill current educational graduation requirements and class-size ratios. These decisions are best made when based on accurate data collected in a thorough and consistent manner by professionals experienced in making such inventory and condition assessments for public institutions.
- (2) The appropriation is provided solely for the Washington State University extension energy office to complete collection, input, and verification of selected data of public school facilities, including skill centers, in the inventory and condition of schools system administered and maintained by the superintendent of public instruction.
- (3) The Washington State University extension energy office shall conduct on-site visits to assess inventory and condition of all facilities for school districts that have no current study and survey as defined in RCW 28A.525.050 on file with the superintendent of public instruction as of July 1, 2015, or no pending study and survey to be filed with the superintendent through an outstanding study and survey grant award. The data collected, sufficient to meet the study and survey requirements for school facilities space inventory and condition analysis, through on-site visits must be input into the inventory and condition of schools system.
- (4) The Washington State University extension energy office shall input into the inventory and condition of schools system applicable data of inventory and condition of school facilities from all current studies and surveys on file with the superintendent of public instruction as of July 1, 2015. The data must be input into the system in a manner that captures older information and data first. As studies and surveys from outstanding grant awards are filed with the superintendent, the Washington State University extension energy office shall input data into the system once current study and survey data has been input. Activities conducted pursuant to this subsection must occur concurrently with activities in subsection (3) of this section.
- (5) The Washington State University extension energy office shall conduct on-site verification of data for school districts whose current studies and surveys

on file with the superintendent will expire by June 30, 2017. Data verification must be conducted to evaluate the study and survey process as a tool to collect accurate inventory and condition of schools data upon which policymakers can make informed decisions regarding school facility and capacity needs. Activities conducted pursuant to this subsection must occur concurrently with activities in subsection (3) of this section and once sufficient data has been input into the system per subsection (4) of this section to conduct on-site visits to verification.

- (6)(a) The Washington State University extension energy office, concurrent with activities conducted in subsections (3), (4), and (5) of this section, must collect data to determine the information in (c)(i) through (vii) of this subsection. Additional on-site data collection for this task or collection of data from "asbuilt" documents or other valid sources must be accomplished to produce a valid sample for determining:
- (b) The accuracy of reported number of classrooms in the most recent survey of classrooms and building data by the office of the superintendent of public instruction; and
- (c) The variation in the size of schools and the allocation of space to the categories described in (c)(i) through (vii) of this subsection. The sample must be sufficient to determine this information for elementary, middle, high schools, and skills centers in districts of different sizes, growth rates, age, and relative property values.
- (i) The square footage and number of classrooms. Classrooms are rooms that are used as classrooms or that could be used as classrooms under building code requirements and must include labs, shops, computer rooms used for instruction, art, and music classrooms. For this purpose, a music classroom is not a room designed to seat an audience;
 - (ii) The square footage of libraries;
 - (iii) The square footage of cafeteria and kitchen space;
- (iv) The square footage of gymnasiums, locker rooms, and other indoor athletic facilities;
- (v) The square footage of auditoriums and other performing arts space not counted as classrooms;
- (vi) The square footage of administrative offices, and space used primarily by staff; and
- (vii) The square footage of other space such as bathrooms, general circulation, mechanical rooms, and the balance of the total facility square footage not included in (c)(i) through (vi) of this subsection;
- (d) The data included in (c)(i) through (vii) of this subsection must indicate whether the space is in a structure with a permanent foundation or not.
- (7) As a general condition of appropriations provided to the superintendent of public instruction in this act, the superintendent of public instruction and each state school district shall provide requested facilities information and access to facilities in a timely manner to enable the Washington State University extension energy office to complete the tasks, oversight, and reporting requirements assigned in this section.
- (8) The Washington State University extension energy office shall report progress of data collection, input, and verification to the appropriate committees of the legislature no later than December 1, 2015. The Washington State University extension energy office must complete all work in this section and

make a final report to the appropriate committees of the legislature no later than December 1, 2016. Appropriation: Prior Biennia (Expenditures)......\$0 Future Biennia (Projected Costs).....\$0 NEW SECTION. Sec. 5055. FOR THE WASHINGTON STATE UNIVERSITY Washington State University Pullman - Plant Sciences Building (REC#5) (30000519)Appropriation: Washington State University Building Account—State \$6,600,000 Future Biennia (Projected Costs)......\$58,900,000 NEW SECTION. Sec. 5056. FOR THE EASTERN WASHINGTON UNIVERSITY University Science Center - Science I (30000001) Appropriation: State Building Construction Account—State \$4,791,000 Future Biennia (Projected Costs).....\$55,444,000 NEW SECTION. Sec. 5057. FOR THE EASTERN WASHINGTON UNIVERSITY Upgrade/Repair Campus Water System (30000422) Reappropriation: Eastern Washington University Capital Projects Account— NEW SECTION. Sec. 5058. FOR THE EASTERN WASHINGTON UNIVERSITY Eastern Washington University Minor Works Preservation (30000468) Reappropriation: Eastern Washington University Capital Projects Account—State......\$2,673,000

NEW SECTION. Sec. 5059. FOR THE EASTERN WASHINGTON UNIVERSITY Infrastructure Renewal I (30000506)
Appropriation: State Building Construction Account—State \$9,949,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$9,949,000 NEW SECTION. Sec. 5060. FOR THE EASTERN WASHINGTON
UNIVERSITY Renovate Science (30000507)
Appropriation:State Building Construction Account—State\$350,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$52,000,000TOTAL\$52,350,000
NEW SECTION. Sec. 5061. FOR THE EASTERN WASHINGTON UNIVERSITY Minor Works - Facility Preservation (30000513)
Appropriation: State Building Construction Account—State \$4,000,000 Eastern Washington University Capital Projects Account— State \$7,667,000 Subtotal Appropriation \$11,667,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$56,000,000 TOTAL \$67,667,000 NEW SECTION. Sec. 5062. FOR THE EASTERN WASHINGTON UNIVERSITY
Minor Works - Program (30000516)
Appropriation: Eastern Washington University Capital Projects Account— State
UNIVERSITY Preventive Maintenance and Building System Repairs (30000547)
Appropriation: Eastern Washington University Capital Projects Account— State \$2,217,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$8,868,000 TOTAL \$11,085,000

NEW SECTION. Sec. 5064. FOR THE CENTRAL WASHINGTON UNIVERSITY Science Building (30000045)
Reappropriation:State Building Construction Account—State\$42,000,000Prior Biennia (Expenditures)\$21,771,000Future Biennia (Projected Costs)\$0TOTAL\$63,771,000
NEW SECTION. Sec. 5065. FOR THE CENTRAL WASHINGTON UNIVERSITY Samuelson Communication and Technology Center (SCTC) (30000451)
Reappropriation: State Building Construction Account—State \$1,600,000
Appropriation: State Building Construction Account—State \$56,041,000 Prior Biennia (Expenditures) \$3,400,000 Future Biennia (Projected Costs) \$0 TOTAL \$61,041,000
NEW SECTION. Sec. 5066. FOR THE CENTRAL WASHINGTON UNIVERSITY Combined Utilities (30000448)
Reappropriation:State Building Construction Account—State\$430,000Prior Biennia (Expenditures)\$9,780,000Future Biennia (Projected Costs)\$0TOTAL\$10,210,000
NEW SECTION. Sec. 5067. FOR THE CENTRAL WASHINGTON UNIVERSITY Nutrition Science (30000456)
Appropriation: State Building Construction Account—State \$4,300,000 Prior Biennia (Expenditures) \$281,000 Future Biennia (Projected Costs) \$44,400,000 TOTAL \$48,981,000 NEW SECTION. Sec. 5068. FOR THE CENTRAL WASHINGTON
UNIVERSITY Minor Works Preservation (30000615)
Reappropriation: Central Washington University Capital Projects Account—State. \$1,500,000 Prior Biennia (Expenditures) \$5,500,000 Future Biennia (Projected Costs) \$0 TOTAL \$7,000,000

NEW SECTION. Sec. 5069. FOR THE CENTRAL WASHINGTON UNIVERSITY Minor Works Preservation (30000684)
Appropriation: State Building Construction Account—State \$4,000,000 Central Washington University Capital Projects Account— State \$1,935,000 Subtotal Appropriation \$5,935,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$18,640,000 TOTAL \$24,575,000
NEW SECTION. Sec. 5070. FOR THE CENTRAL WASHINGTON UNIVERSITY Bouillon Hall Renovation (30000711)
Appropriation: State Building Construction Account—State \$4,977,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$4,977,000 NEW SECTION. Sec. 5071. FOR THE CENTRAL WASHINGTON
UNIVERSITY Minor Works Program (30000723)
Appropriation: Central Washington University Capital Projects Account— State \$3,777,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$4,768,000 TOTAL \$8,545,000
NEW SECTION. Sec. 5072. FOR THE CENTRAL WASHINGTON UNIVERSITY Lind Hall Renovation (30000738)
Appropriation: State Building Construction Account—State \$4,900,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$4,900,000 NEW SECTION. Sec. 5073. FOR THE CENTRAL WASHINGTON UNIVERSITY Combined Utilities (30000740)
Appropriation: State Building Construction Account—State \$8,000,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$32,000,000 TOTAL \$40,000,000

NEW SECTION. Sec. 5074. FOR THE CENTRAL WASHINGTON UNIVERSITY Old Heat - Plant Annex (30000767)
Appropriation: State Building Construction Account—State \$4,900,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$4,900,000 NEW SECTION. Sec. 5075. FOR THE CENTRAL WASHINGTON
UNIVERSITY Preventive Maintenance and Building System Repairs (30000770)
Appropriation: Central Washington University Capital Projects Account— State \$2,422,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$2,422,000
NEW SECTION. Sec. 5076. FOR THE EVERGREEN STATE COLLEGE Facility Preservation (30000084)
Reappropriation: The Evergreen State College Capital Projects Account—State. \$100,000 Prior Biennia (Expenditures). \$6,600,000 Future Biennia (Projected Costs). \$0 TOTAL \$6,700,000 NEW SECTION. Sec. 5077. FOR THE EVERGREEN STATE COLLEGE Science Center - Lab II, 2nd Floor Renovation (30000117)
Reappropriation: State Building Construction Account—State
Reappropriation: State Building Construction Account—State
Appropriation:\$3,240,000State Building Construction Account—State\$3,240,000Prior Biennia (Expenditures)\$280,000Future Biennia (Projected Costs)\$0TOTAL\$5,045,000

NEW SECTION. Sec. 5079. FOR THE EVERGREEN STATE COLLEGE Seminar I Renovation (30000125)
Appropriation:\$400,000State Building Construction Account—State\$400,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$23,318,000TOTAL\$23,718,000
NEW SECTION. Sec. 5080. FOR THE EVERGREEN STATE COLLEGE Facilities Preservation (30000457)
Appropriation: State Building Construction Account—State \$4,720,000 The Evergreen State College Capital Projects Account— State \$5,628,000 Subtotal Appropriation \$10,348,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$40,180,000 TOTAL \$50,528,000
NEW SECTION. Sec. 5081. FOR THE EVERGREEN STATE COLLEGE Minor Works Program (30000487)
Appropriation: The Evergreen State College Capital Projects Account—State. \$1,164,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$9,140,000 TOTAL \$10,304,000 NEW SECTION. Sec. 5082. FOR THE EVERGREEN STATE COLLEGE Lecture Hell Remodel (20000403)
Lecture Hall Remodel (30000493) Reappropriation: State Building Construction Account—State\$300,000
Appropriation: State Building Construction Account—State \$16,310,000 Prior Biennia (Expenditures) \$1,251,000 Future Biennia (Projected Costs) \$0 TOTAL \$17,861,000 NEW SECTION. Sec. 5083. FOR THE EVERGREEN STATE COLLEGE Preventive Facility Maintenance and Building System Repairs (30000612)
Appropriation: The Evergreen State College Capital Projects Account— State

Prior Biennia (Expenditures) \$0
Future Biennia (Projected Costs). \$3,132,000
TOTAL
NEW SECTION. Sec. 5084. FOR THE WESTERN WASHINGTON UNIVERSITY Carver Academic Renovation (20081060)
Reappropriation: State Building Construction Account—State\$323,000
Appropriation: State Building Construction Account—State
Account—State \$5,400,000 Subtotal Appropriation \$64,000,000 Prior Biennia (Expenditures) \$7,051,000
Future Biennia (Projected Costs)
NEW SECTION. Sec. 5085. FOR THE WESTERN WASHINGTON UNIVERSITY North Campus Utility Upgrade (30000426)
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Reappropriation:State Building Construction Account—State\$600,000Prior Biennia (Expenditures)\$2,982,000Future Biennia (Projected Costs)\$0TOTAL\$3,582,000
NEW SECTION. Sec. 5086. FOR THE WESTERN WASHINGTON
UNIVERSITY Performing Arts Exterior Renewal (30000428)
Reappropriation:
State Building Construction Account—State \$387,000 Prior Biennia (Expenditures) \$2,560,000 Future Biennia (Projected Costs) \$0
TOTAL
UNIVERSITY
Classroom and Lab Upgrades Phase 2 (30000518)
Reappropriation: State Building Construction Account—State
State \$400,000 Subtotal Reappropriation \$2,200,000
Prior Biennia (Expenditures)
Future Biennia (Projected Costs). \$0 TOTAL \$4,746,000
NEW SECTION. Sec. 5088. FOR THE WESTERN WASHINGTON UNIVERSITY

Minor Works - Preservation (30000524)

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Western Washington University Capital Projects	
Account—State	\$750,000
Prior Biennia (Expenditures)	\$6,750,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 5089. FOR THE WESTERN WASHINGTON UNIVERSITY

Minor Works - Preservation (30000615)

Appropriation:

State Building Construction Account—State	\$3,572,000
Western Washington University Capital Projects	
Account—State	\$4,886,000
Subtotal Appropriation	\$8,458,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$64,422,000
TOTAL	

<u>NEW SECTION.</u> Sec. 5090. FOR THE WESTERN WASHINGTON UNIVERSITY

Preventive Facility Maintenance and Building System Repairs (30000757)

Appropriation:

Western Washington University Capital Projects Account—	
State	0
Prior Biennia (Expenditures)\$	0
Future Biennia (Projected Costs)\$14,456,000	0
TOTAL \$18,070,000	n

<u>NEW SECTION.</u> Sec. 5091. FOR THE WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

Central Area Community Opportunity Center (91000002)

The appropriation in this section is subject to the following conditions and limitations: \$100,000 is provided solely for the purposes of predesign, development, and transition costs at the Seattle Vocational Institute to create the central area community opportunity center and clearinghouse. During predesign and development phase, community needs and input must be considered for project transition and completion. During this process, the board must work with the department of enterprise services to identify current available space within the Seattle Vocational Institute building, and shall prescribe methods of maximizing space efficiency for both current and potential tenants. The board and the department of enterprise services shall also identify costs associated with any renovation work needed to create additional usable space. The Seattle Central College shall work with the board on this effort. A report must be delivered to the legislature by December 1, 2015.

Appropriation:

Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)\$0
TOTAL

<u>NEW SECTION.</u> Sec. 5092. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Washington Heritage Grants (20074004)

The reappropriation in this section is subject to the following conditions and limitations:

- (1) The reappropriation in this section is subject to the provisions of RCW 27.34.330.
- (2) The reappropriation in this section is subject to the project list in section 5137, chapter 520, Laws of 2007.
- (3) The reappropriation in this section is subject to the provisions of section 5044, chapter 36, Laws of 2010 1st sp. sess.

Reappropriation:

State Building Construction Account—State	\$340,000
Prior Biennia (Expenditures)	. \$9,565,000
Future Biennia (Projected Costs)	\$0
TOTAL	. \$9,905,000

<u>NEW SECTION.</u> Sec. 5093. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Washington Heritage Project Capital Grants (30000011)

The reappropriation in this section is subject to the following conditions and limitations:

- (1) The reappropriation in this section is subject to the provisions of section 5120, chapter 497, Laws of 2009.
- (2) The reappropriation in this section is subject to the provisions of section 5045, chapter 36, Laws of 2010 1st sp. sess.

Reappropriation:

State Building Construction Account—State	\$200,000
Prior Biennia (Expenditures)	. \$9,225,000
Future Biennia (Projected Costs)	\$0
TOTAL	

${ m NEW}$ SECTION. Sec. 5094. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Washington Heritage Grants (30000117)

The reappropriation in this section is subject to the following conditions and limitations:

- (1) The reappropriation in this section is subject to the provisions of RCW 27.34.330.
- (2) The reappropriation in this section is subject to the provisions of section 622, chapter 1, Laws of 2012 2nd sp. sess.

Reappropriation:

State Building Construction Account—State	\$300,000
Prior Biennia (Expenditures)	\$6.782,000

Future Biennia (Projected Costs)
NEW SECTION. Sec. 5095. FOR THE WASHINGTON STATE HISTORICAL SOCIETY Facilities Preservation - Minor Works Projects (30000164)
Reappropriation:State Building Construction Account—State\$830,000Prior Biennia (Expenditures)\$1,653,000Future Biennia (Projected Costs)\$0TOTAL\$2,483,000
NEW SECTION. Sec. 5096. FOR THE WASHINGTON STATE HISTORICAL SOCIETY Heritage Capital Grants Projects (30000170)
The reappropriation in this section is subject to the following conditions and limitations: (1) The reappropriation in this section is subject to the provisions of RCW 27.34.330.
(2) The reappropriation in this section is subject to the project list in section 5093, chapter 19, Laws of 2013 2nd sp. sess.
Reappropriation: State Building Construction Account—State \$4,700,000 Prior Biennia (Expenditures) \$5,131,000 Future Biennia (Projected Costs) \$0 TOTAL \$9,831,000 NEW SECTION. Sec. 5097. FOR THE WASHINGTON STATE
HISTORICAL SOCIETY History Museum Membrane System Replacement (30000220)
Appropriation: State Building Construction Account—State \$1,805,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$1,805,000 NEW SECTION. Sec. 5098. FOR THE WASHINGTON STATE HISTORICAL SOCIETY
Facilities Preservation - Minor Works Projects (30000222)
Appropriation: State Building Construction Account—State \$2,515,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$10,000,000 TOTAL \$12,515,000
NEW SECTION. Sec. 5099. FOR THE WASHINGTON STATE HISTORICAL SOCIETY Washington Heritage Grants (30000237)
The appropriation in this section is subject to the following conditions and limitations:

- (1) The appropriation is subject to the provisions of RCW 27.34.330.
- (2) The appropriation is provided solely for the following list of projects:

	Authorized Amount
Pantages centennial: Façade restoration	\$685,000
Chong Wa parapet preservation	\$66,000
Rehabilitation of historic structures	
Renovation heating of interior space of Balfour dock	\$1,000,000
Town hall historic restoration: Phase one of construction.	\$1,000,000
Washington hall restoration	\$452,000
Rehabilitation of Ritzville library for ADA compliance	\$138,000
Quartermaster and dental surgery renovation project	\$309,000
Skagit city school restoration	\$91,000
Yamasaki courtyard restoration project	\$129,000
Prairie line trail historic interpretation project	\$400,000
Ancich netshed restoration	\$662,000
Chimney, gutter, and kitchen restoration	\$11,000
Federal building rehabilitation - phases II and III	\$920,000
Preservation of the Colville Indian agency cabin in Chewe	lah \$33,000
Arthur Foss preservation and restoration phase II	\$166,000
Seaport landing development - renovation of building #8.	\$1,000,000
Si view community center rehabilitation project phase II.	\$130,000
Revitalization to historic wells house for community use.	\$26,000
Chiyo's garden phase II	
Historic community center, library, and city hall restoration	n \$185,000
Sea mar latino history and cultural center	
Olympia waldorf school - the next 100 years	\$20,000
Chinook school restoration - final phase	
Phase III of Worthington park - Quilcene	\$244,000
El centro de la raza community access and security project	
Steam locomotives changed everything	
The artifact/exhibit environmental conservation project	\$8,000
F/V Shenandoah restoration project - phase three	\$41,000
Henderson house and Tumwater historic district interpretive	/e \$50,000
Carnegie library renovation phase II	
Total	\$10,000,000
Appropriation: State Building Construction Account—State Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	

$\underline{\text{NEW SECTION.}}$ Sec. 5100. FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

Exhibit Hall/Cowles Center Renovation (30000036)

The appropriation in this section is subject to the following conditions and limitations: The eastern Washington state historical society shall conduct a predesign study for a renovation to the exhibit hall and the Cheney Cowles center that will include strategies to increase nonstate revenues for the operation

of the museum and estimate the minimum amount of state funding necessary to preserve, maintain, and protect state-owned facilities and assets. The predesign study must be submitted to the office of financial management and the fiscal committees of the legislature by October 1, 2016.

Appropriation: State Building Construction Account—State \$200,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$200,000 NEW SECTION. Sec. 5101. FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY Minor Works - Preservation (30000038)
Appropriation:State Building Construction Account—State\$702,000Prior Biennia (Expenditures)\$0Future Biennia (Projected Costs)\$0TOTAL\$702,000
NEW SECTION. Sec. 5102. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Spokane Falls Community College: Campus Classrooms (20062696)
Reappropriation: State Building Construction Account—State
Reappropriation:State Building Construction Account—State\$953,000Prior Biennia (Expenditures)\$32,708,000Future Biennia (Projected Costs)\$0TOTAL\$33,661,000
NEW SECTION. Sec. 5104. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Clover Park Technical College: Allied Health Care Facility (20062699)
Reappropriation:State Building Construction Account—State\$944,000Prior Biennia (Expenditures)\$21,389,000Future Biennia (Projected Costs)\$0TOTAL\$22,333,000
NEW SECTION. Sec. 5105. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Spokane Community College: Technical Education Building (20081220)

Reappropriation: State Building Construction Account—State \$3,294,000 Prior Biennia (Expenditures) \$23,136,000 Future Biennia (Projected Costs) \$0 TOTAL \$26,430,000 NEW SECTION. Sec. 5106. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Everett Community College: Index Hall Replacement (20081221)
Reappropriation: State Building Construction Account—State \$1,194,000 Prior Biennia (Expenditures) \$35,120,000 Future Biennia (Projected Costs) \$0 TOTAL \$36,314,000 NEW SECTION. Sec. 5107. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM
Green River Community College: Trades and Industry Building (20081222) Reappropriation: State Building Construction Account—State \$11,606,000 Prior Biennia (Expenditures) \$17,013,000 Future Biennia (Projected Costs) \$0 TOTAL \$28,619,000 NEW SECTION. Sec. 5108. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Grays Harbor College: Science and Math Building (20081226)
Reappropriation: State Building Construction Account—State \$14,700,000 Prior Biennia (Expenditures) \$29,444,000 Future Biennia (Projected Costs) \$0 TOTAL \$44,144,000
NEW SECTION. Sec. 5109. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Tacoma Community College: Health Careers Center (20082701)
Reappropriation: State Building Construction Account—State \$7,639,000 Prior Biennia (Expenditures) \$33,534,000 Future Biennia (Projected Costs) \$0 TOTAL \$41,173,000 NEW SECTION. Sec. 5110. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Bellevue Community College: Health Science Building (20082702)
Reappropriation: State Building Construction Account—State

NEW SECTION. Sec. 5111. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Bates Technical College: Mohler Communications Technology Center (20082703)
Reappropriation:State Building Construction Account—State\$15,428,000Prior Biennia (Expenditures)\$11,019,000Future Biennia (Projected Costs)\$0TOTAL\$26,447,000
NEW SECTION. Sec. 5112. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Columbia Basin College: Social Science Center (20082704)
Reappropriation: State Building Construction Account—State\$595,000
Appropriation: State Building Construction Account—State \$14,505,000 Prior Biennia (Expenditures) \$481,000 Future Biennia (Projected Costs) \$0 TOTAL \$15,581,000
NEW SECTION. Sec. 5113. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Clark College: Health and Advanced Technologies Building (20082705)
Reappropriation:State Building Construction Account—State\$29,979,000Prior Biennia (Expenditures)\$7,073,000Future Biennia (Projected Costs)\$0TOTAL\$37,052,000
NEW SECTION. Sec. 5114. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Peninsula College: Fort Worden Building 202 (30000114)
Reappropriation: State Building Construction Account—State \$3,876,000 Prior Biennia (Expenditures) \$501,000 Future Biennia (Projected Costs) \$0 TOTAL \$4,377,000 NEW SECTION. Sec. 5115. FOR THE COMMUNITY AND
TECHNICAL COLLEGE SYSTEM Seattle Central Community College: Seattle Maritime Academy (30000120)
Reappropriation:State Building Construction Account—State\$14,590,000Prior Biennia (Expenditures)\$2,238,000Future Biennia (Projected Costs)\$0TOTAL\$16,828,000

NEW SECTION. Sec. 5116. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Yakima Valley Community College: Palmer Martin Building (30000121)
Reappropriation: State Building Construction Account—State \$5,947,000 Prior Biennia (Expenditures) \$14,293,000 Future Biennia (Projected Costs) \$0 TOTAL \$20,240,000 NEW SECTION. Sec. 5117. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Olympic College: College Instruction Center (30000122)
Reappropriation: State Building Construction Account—State
Appropriation: State Building Construction Account—State \$46,516,000 Prior Biennia (Expenditures) \$2,472,000 Future Biennia (Projected Costs) \$0 TOTAL \$50,140,000 NEW SECTION. Sec. 5118. FOR THE COMMUNITY AND
TECHNICAL COLLEGE SYSTEM Centralia Community College: Student Services (30000123)
Reappropriation: State Building Construction Account—State
Appropriation: State Building Construction Account—State \$32,089,000 Prior Biennia (Expenditures) \$1,886,000 Future Biennia (Projected Costs) \$0 TOTAL \$34,606,000 NEW SECTION. Sec. 5119. FOR THE COMMUNITY AND
TECHNICAL COLLEGE SYSTEM Peninsula College: Allied Health and Early Childhood Development Center (30000126)
Reappropriation: State Building Construction Account—State\$903,000
Appropriation: State Building Construction Account—State \$23,790,000 Prior Biennia (Expenditures) \$907,000 Future Biennia (Projected Costs) \$0 TOTAL \$25,600,000
NEW SECTION. Sec. 5120. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM South Seattle Community College: Cascade Court (30000128)
Reappropriation:

State Building Construction Account—State
Appropriation:
State Building Construction Account—State \$28,231,000 Prior Biennia (Expenditures) \$1,104,000
Future Biennia (Projected Costs). \$0 TOTAL \$30,318,000
NEW SECTION. Sec. 5121. FOR THE COMMUNITY AND
TECHNICAL COLLEGE SYSTEM North Seattle Community College: Technology Building Renewal
(30000129)
Reappropriation: State Building Construction Account—State \$1,922,000 Prior Biennia (Expenditures) \$23,497,000 Future Biennia (Projected Costs) \$0
TOTAL \$25 419 000
TOTAL
TECHNICAL COLLEGE SYSTEM Renton Technical College: Automotive Complex Renovation (30000134)
Reappropriation: State Building Construction Account—State\$449,000
Appropriation:
State Building Construction Account—State
Prior Biennia (Expenditures)\$1,134,000
Future Biennia (Projected Costs)
TOTAL
NEW SECTION. Sec. 5123. FOR THE COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
Edmonds Community College: Science, Engineering, Technology Building
(30000137)
Reappropriation:
State Building Construction Account—State
Prior Biennia (Expenditures). \$1,239,000
Future Biennia (Projected Costs)
TOTAL
NEW SECTION. Sec. 5124. FOR THE COMMUNITY AND
TECHNICAL COLLEGE SYSTEM Whatever Community Colleges I commune (20000138)
Whatcom Community College: Learning Commons (30000138)
Reappropriation:
State Building Construction Account—State
Prior Biennia (Expenditures)
Future Biennia (Projected Costs)\$0
TOTAL \$1,822,000 <u>NEW SECTION.</u> Sec. 5125. FOR THE COMMUNITY AND
NEW SECTION. Sec. 5125. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Minor Works - Program (30000723)
Reappropriation: Community/Technical College Capital Projects Account—State. \$1,765,000 Community and Technical College Forest Reserve Account—State. \$60,000 Gardner-Evans Higher Education Construction Account—State. \$115,000 Subtotal Reappropriation \$1,940,000 Prior Biennia (Expenditures) \$16,852,000 Future Biennia (Projected Costs) \$0 TOTAL \$18,792,000
NEW SECTION. Sec. 5126. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Minor Works - Preservation (30000779)
Reappropriation: Community/Technical College Capital Projects Account—State
Reappropriation: Community/Technical College Capital Projects Account—State. \$554,000 Prior Biennia (Expenditures). \$7,231,000 Future Biennia (Projected Costs). \$0 TOTAL \$7,785,000 NEW SECTION. Sec. 5128. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Facility Repairs (30000897)
Reappropriation: State Building Construction Account—State \$2,905,000 Prior Biennia (Expenditures) \$19,229,000 Future Biennia (Projected Costs) \$0 TOTAL \$22,134,000 NEW SECTION. Sec. 5129. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Site Repairs (30000941)
Reappropriation: Community/Technical College Capital Projects Account—State

Future Biennia (Projected Costs)	\$0
TOTAL	\$2,574,000

<u>NEW SECTION.</u> Sec. 5130. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Edmonds Community College: Washington Aerospace Training and Research Center (30000979)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation is subject to the provisions of section 4, chapter 1, Laws of 2013, 3rd sp. sess.

Reappropriation:

State Building Construction Account—State	\$840,000
Prior Biennia (Expenditures)	\$660,000
Future Biennia (Projected Costs)	\$0
TOTAL	

<u>NEW SECTION.</u> Sec. 5131. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Big Bend: Professional-Technical Education Center (30000981)

Appropriation:

State Building Construction Account—State	\$2,040,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	. \$34,490,000
TOTAL	. \$36,530,000

<u>NEW SECTION.</u> Sec. 5132. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM

Spokane: Main Building South Wing Renovation (30000982)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for predesign, which may also serve as bridging documents, design, competition honoraria, project management, and other planning activities including permits. The building may be delivered using design build, as defined by chapter 39.10 RCW with a guarantee for energy, operations, and maintenance performance. The term for performance guarantee must not be less than one year. The state may use state employees for services not related to building performance. Criteria for selecting the design build contractor must include life cycle costs, energy costs, or energy use index. Contractors, and architectural and engineering firms may be eligible for additional points during the scoring process if they have experience with the state agency, or if they are considered a small business. The building must be built using sustainable building standards as defined in section 7008 of this act.

Appropriation:

State Building Construction Account—State	\$2,823,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$24,742,000
TOTAL	\$27.565.000

NEW SECTION. Sec. 5133. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Highline: Health and Life Sciences (30000983)
Appropriation: State Building Construction Account—State \$2,932,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$23,850,000 TOTAL \$26,782,000 NEW SECTION. Sec. 5134. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Minor Works - Program (30001038)
Appropriation: State Building Construction Account—State \$22,456,000 Community/Technical College Capital Projects Account— State \$1,744,000 Subtotal Appropriation \$24,200,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$24,200,000 NEW SECTION Sec. 5135. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Minor Works - Preservation (30001106)
Appropriation: Community/Technical College Capital Projects Account— State \$19,360,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$19,360,000
NEW SECTION. Sec. 5136. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Roof Repairs (30001155)
Appropriation: Community/Technical College Capital Projects Account— State \$12,534,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$12,534,000 NEW SECTION. Sec. 5137. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Facility Repairs (30001182)
Appropriation: Community/Technical College Capital Projects Account— State \$20,733,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0

TOTAL
NEW SECTION. Sec. 5138. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Site Repairs (30001216)
Appropriation: Community/Technical College Capital Projects Account— State \$2,829,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$2,829,000 NEW SECTION. Sec. 5139. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Preventive Maintenance and Building System Repairs (30001286)
Appropriation: Community/Technical College Capital Projects Account— State
NEW SECTION. Sec. 5140. FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Clover Park: Center for Advanced Manufacturing Technologies (30000984)
The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for predesign which may also serve as bridging documents, design, competition honoraria project management, and other planning activities including permits. The building may be delivered using design build, as defined by chapter 39.10 RCW with a guarantee for energy, operations, and maintenance performance. The term for performance guarantee must not be less than one year. The state may us state employees for services not related to building performance. Criteria for selecting the design build contractor must include life cycle costs, energy costs or energy use index. Contractors, and architectural and engineering firms may be eligible for additional points during the scoring process if they have experience with the state agency, or if they are considered a small business. The building must be built using sustainable building standards as defined in section 7008 of this act.
Appropriation: State Building Construction Account—State \$3,144,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$33,497,000 TOTAL \$36,641,000

PART 6 2015 SUPPLEMENTAL CAPITAL BUDGET

<u>NEW SECTION.</u> **Sec. 6001.** A new section is added to 2013 2nd sp.s. c 19 (uncodified) to read as follows:

FOR THE DEPARTMENT OF COMMERCE

Building for the Arts Grants (30000006)

The reappropriation in this section is subject to the following conditions and limitations:

- (1) The reappropriation in this section is subject to the provisions of section 1011, chapter 36, Laws of 2010 1st sp. sess.
- (2) The reappropriation in this section is provided solely for the Federal Way performing arts center.

Reappropriation:

State Building Construction Account—State	\$218,000
Prior Biennia (Expenditures)	. \$8,481,000
Future Biennia (Projected Costs)	\$0
TOTAL	. \$8,699,000

Sec. 6002. 2013 2nd sp.s. c 19 s 1073 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

Drinking Water State Revolving Fund Loan Program (30000189)

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

- (1) ((\$4,400,000 for fiscal year 2014 and \$4,400,000)) \$4,000,000 from the drinking water assistance account—state for fiscal year 2015 is provided solely as state match for federal safe drinking water funds.
- (2) For projects involving repair, replacement, or improvement of a clean water infrastructure facility or other public works facility for which an investment grade efficiency audit is obtainable, the public works board must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its drinking water state revolving fund program loan.

Appropriation:

((State Building Construction Account—State	\$8,800,000))
Drinking Water Assistance Account—State	\$4,000,000
Drinking Water Assistance Repayment Account—	
State	\$200,000,000
Subtotal Appropriation	((\$208,800,000))
	\$204,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$680,000,000
TOTAL	((\$888,800,000))
	\$884,000,000

Sec. 6003. 2013 3rd sp.s. c 1 s 3 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

Renton Aerospace Training Center Construction (((92000151))) (30000724)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for construction of the Renton aerospace training center.

Appropriation:

State Building Construction Account—State((\$	5,000,000))
-	510,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	5,000,000))
	510,000,000

Sec. 6004. 2013 2nd sp.s. c 19 s 1074 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

Clean Energy and Energy Freedom Program (91000582)

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

- (1) All expenditures from the state taxable building construction account—state appropriation in this section must be used for projects that provide a benefit to the public through development, demonstration, and deployment of clean energy technologies that save energy and reduce energy costs, reduce harmful air emissions or otherwise increase energy independence for the state. All expenditures must be used for projects that develop and acquire assets that have a useful life of at least thirteen years. These requirements must be specified in funding agreements issued by the department.
- (2) For any project funded from the state taxable building construction account—state appropriation in this section, state funds must not exceed fifty percent of the estimated cost of a project, and funding preference must be provided to projects that offer a higher percentage of nonstate match funds.
- (3)(a) \$15,000,000 of the state taxable building construction account—state appropriation in this section is provided solely to create a revolving loan fund to support the widespread use of proven building energy efficiency and renewable energy technologies now inhibited by lack of access to capital.
- (b) To create the loan fund, the department shall provide grant funds to a competitively selected nonprofit lender that will provide matching private capital and will administer the loan fund. The department must select the loan fund administrator through a competitive process, with scoring conducted by a group of qualified experts, applying criteria specified by the department.
- (c) The department must establish guidelines for the lender related to applicant eligibility, the screening process, and evaluation and selection criteria. The criteria must include requiring evidence of support for the proposed project from the impacted community and consistency with economic growth strategies and plans of the affected local governments. Applications for loans from the

revolving fund must disclose all sources of public funding to be provided for a project. The nonprofit lender must use the revolving loan fund to make affordable loans for projects including, but not limited to: Residential and commercial energy retrofits, residential and community-scale solar installations, anaerobic digesters to treat dairy and organic waste, and combined heat and power projects using woody biomass as a fuel source.

- (d) The department must conduct due diligence activities associated with the use of public funds, including oversight of the project selection process and project monitoring.
- (e) Projects seeking financing of solar installations under this section must agree in contract to not participate in the cost-recovery program under RCW 82.16.120
- (4) \$15,000,000 of the state taxable building construction account—state appropriation in this section is provided solely for grants to advance renewable energy technologies by public and private electrical utilities that serve retail customers in the state. The department shall work with utilities to offer matching grants for projects that demonstrate new smart grid technologies. The department shall develop a grant application process to competitively select projects for grant awards, to include scoring conducted by a group of qualified experts with application of criteria specified by the department. Applications for grants must disclose all sources of public funding to be provided for a project. The grant funds must be used to fund projects that demonstrate how to: Integrate intermittent renewables through energy storage and information technology, dispatch energy storage resources from utility control rooms, use the thermal properties and electric load of commercial buildings and district energy systems to store energy, or otherwise improve the reliability and reduce the costs of intermittent or distributed renewable energy.
- (5) \$6,000,000 of the state taxable building construction account—state appropriation in this section is provided solely for grants to match federal funds used to develop and demonstrate clean energy technologies. The department shall work with the University of Washington, Washington State University, and the Pacific Northwest National Laboratory to offer matching funds for projects including, but not limited to: Advancing energy storage and solar technologies, and federal manufacturing innovation centers related to use of light-weight carbon fiber components to advance energy efficiency in the aeronautical, automotive, and marine sectors.
- (6) The department must report on number and results of projects funded through the clean energy fund, including the number of job hours created and the number of jobs maintained and created, to the governor and the legislature, by November 1, 2014.
- (7) The energy recovery act account—federal appropriation in this section is provided solely for loans, loan guarantees, and grants that encourage the establishment of innovative and sustainable industries for renewable energy and energy efficiency technology, consistent with provisions of RCW 43.325.040 (energy freedom account).

Appropriation:

Energy Recovery Act Account—((Federal)) State	\$4,000,000
Subtotal Appropriation	. \$40,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	

Sec. 6005. 2013 2nd sp.s. c 19 s 1077 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

Projects for Jobs and Economic Development (92000151)

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

- (1) Except as directed otherwise prior to the effective date of this section, the department shall not expend the appropriations in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriations are released for design costs only.
- (2) Prior to receiving funds, project recipients must demonstrate that the project site is under control for a minimum of ten years, either through ownership or a long-term lease. This requirement does not apply to appropriations for preconstruction activities or appropriations whose sole purpose is to purchase real property that does not include a construction or renovation component.
- (3) Projects funded in this section may be required to comply with Washington's high performance building standards as required by chapter 39.35D RCW.
- (4) Project funds are available on a reimbursement basis only, and shall not be advanced under any circumstances.
- (5) Projects funded in this section must be held by the recipient for a minimum of ten years and used for the same purpose or purposes intended by the legislature as required in RCW 43.63A.125(6).
- (6) Projects funded in this section, including those that are owned and operated by nonprofit organizations, are generally required to pay state prevailing wages.
 - (7) The appropriations are provided solely for the following list of projects:

Projects for Jobs & Economic Development	Authorized Amount
City of Bremerton Puget Sound Naval Safety Project	\$1,300,000
Fairchild Airforce Base	\$2,700,000
City of Lynnwood Main Street Improvements	\$250,000
Port of Everett: Roll-On/Roll-Off Cargo Berth	\$1,500,000
Kittitas County Infrastructure and Facilities	\$5,000,000
City of Kennewick Industrial Land	\$1,000,000

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Perry Tech Institute Building	\$1,000,000
City of Buckley Drinking Water Improvements	\$350,000
((Coronado)) Carbonado Reservoir Replacement	\$525,000
Hopelink Cleveland Street Project	\$1,000,000
Redmond Connector	\$1,300,000
Washougal ((Storm Water Decant Facility)) Wastewater Treatment Plant	\$1,000,000
Roslyn Renaissance Northwest Improvement Company	
Building	\$500,000
Everett/Tulalip Water Pipeline Construction	\$1,000,000
((Renton Aerospace Training Center Construction	\$ 5,000,000))
Renton Riverview Bridge Replacement	\$1,100,000
Omak City Sewer, Collection System, and Treatment Plant	\$2,000,000
Harper Pier Replacement	\$800,000
University Place Main Street Redevelopment	\$975,000
Sultan Alder Avenue Water/Sewer Line Replacement	\$185,000
Quincy Industrial Water Reclamation & Reuse	\$700,000
NW Medical School	\$136,000
Ione - 8th St Lift Station Replacement	\$165,000
Stevens PUD Projects	\$532,000
Port Orchard Bay St. Pedestrian Path - Phase 2	\$336,000
Dekalb Pier - Phase 2	\$255,000
Kenmore Village	\$300,000
South Kirkland TOD/Cross Kirkland Corridor	\$1,300,000
Washington Agriculture Discovery Center	\$100,000
Mountlake Terrace Mainstreet Grant	\$2,000,000
Issaquah - North Roadway Network Improvement	\$5,000,000
TRIDEC Development of Small Modular Reactor Proposal	\$500,000
City of Shelton Wastewater	\$1,500,000
Port of Moses Lake Firefighting System	\$300,000
Seattle Chinatown/ID Development	\$500,000
TOTAL	((\$42,109,000)) \$37,109,000
Appropriation:	
State Building Construction Account—State	((\$35,009,000)) \$30,009,000
Public Facility Construction Loan Revolving	

Account—State	\$7,100,000
Subtotal Appropriation	((\$42,109,000))
	\$37,109,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	\$0
TOTAL	$\dots \dots ((\$42,109,000))$
	\$37,109,000

Sec. 6006. 2013 2nd sp.s. c 19 s 1078 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

Projects That Strengthen Communities and Quality of Life (92000230)

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

- (1) Except as directed otherwise prior to the effective date of this section, the department shall not expend the appropriation in this section unless and until the nonstate share of project costs have been either expended, or firmly committed, or both, in an amount sufficient to complete the project or a distinct phase of the project that is useable to the public for the purpose intended by the legislature. This requirement does not apply to projects where a share of the appropriation is released for design costs only.
- (2) Prior to receiving funds, project recipients must demonstrate that the project site is under control for a minimum of ten years, either through ownership or a long-term lease. This requirement does not apply to appropriations for preconstruction activities or appropriations whose sole purpose is to purchase real property that does not include a construction or renovation component.
- (3) Projects funded in this section may be required to comply with Washington's high performance building standards as required by chapter 39.35D RCW.
- (4) Project funds are available on a reimbursement basis only, and shall not be advanced under any circumstances.
- (5) Projects funded in this section must be held by the recipient for a minimum of ten years and used for the same purpose or purposes intended by the legislature as required in RCW 43.63A.125(6).
- (6) Projects funded in this section, including those that are owned and operated by nonprofit organizations, are generally required to pay state prevailing wages.
- (7) \$1,500,000 of the appropriation in this section from the state building construction account—state is provided solely for design development to align ongoing planning for the replacement of the Seattle multimodal terminal at Colman dock with the creation of a public park. The scope of work must provide a design plan that includes an elevated park and corresponding amenities above the terminal. Design development shall be delivered through the city of Seattle. The scope of this project does not preclude any current plans for Colman dock to replace or seismically upgrade the facility, nor does it reduce the amount of general and commercial traffic, high occupancy vehicles, transit, bicyclist and pedestrian movement.

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- (8) \$500,000 of the appropriation from the environmental legacy stewardship account—state is provided solely for an investigation of possible contaminated soils around the Colman dock.
 - (9) The appropriation is provided solely for the following list of projects:

Projects that Strengthen Communities & Quality of Life	Authorized Amount
Ft. Vancouver - Mother Joseph Academy & Infantry Barracks	\$1,000,000
LaConner Boardwalk	\$1,600,000
Kent Interurban Trail Connector	\$750,000
Town of Concrete Public Safety Building	\$785,000
Complete Development of Ashford Park Facilities	\$1,000,000
Jackson Park Renovation	\$1,000,000
South Whatcom Library Construction	\$90,000
Guemes Channel Trail Project	\$700,000
Seabrook Trail	\$437,000
Vashon Island Allied Arts	\$2,000,000
Federal Way Performing Arts	\$2,000,000
Japanese Gulch Land Acquisition	\$1,000,000
Milton - Triangle Park ADA Upgrades	\$225,000
Langston Hughes Performing Arts Center - Storage	\$150,000
Wood Pellet Heat in Schools Pilot	\$500,000
((Snohomish County Sheriff's Office South Precinct)) Young Island	\$1,000,000
Ravensdale Park	\$650,000
Worthington Park	\$210,000
Eastside Tacoma Community Center	\$400,000
((228th Street Trail	\$500,000)
Institute for Community Leadership	\$275,000
FISH of Vancouver/Nonprofit Community Service Center	\$1,000,000
Yelm Community Center	\$1,000,000
Ellensburg Depot	\$500,000
Roslyn City Hall	\$400,000
Northwest Carriage Museum	\$375,000
People's Community Center and Pool	\$500,000
((Town of Concrete Fire and Life Safety Facility	\$500,000))
Chehalis Pool	\$250,000
Mount Rainier Park Ranger Memorial	\$60,000
McAllister Air Museum	\$500,000
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Repairs to Stevenson Grange	\$50,000
Meydenbauer Park Improvements	\$3,000,000
Sixty Acres Park Enhancements	\$750,000
Covington Community Park Phase 2	\$2,100,000
Johnson Farm Museum - Anderson Island	\$250,000
Nikolai Project	\$40,000
Ft. Steilacoom Building Preservation	\$250,000
Plaza Roberto Maestas - Building the Beloved Community	\$1,000,000
Seattle Multimodal Terminal at Colman Dock/Public Park	\$2,000,000
Confluence Project	\$747,000
Castle Rock Citywide Residential Street Project	\$504,000
UWAVE	\$30,000
Transit-Community Center	\$800,000
Mt. Spokane Lodge	\$250,000
TOTAL	((\$33,128,000))
	\$32,128,000
Appropriation:	
State Building Construction Account—State	((\$32,628,000))
	<u>\$31,628,000</u>
Environmental Legacy Stewardship Account—	4.5 00.000
State	
Subtotal Appropriation	\$32,128,000
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs).	
TOTAL	((\$33,128,000))
	\$32,128,000

Sec. 6007. 2013 2nd sp.s. c 19 s 1091 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT

Construction Contingency Pool (91000428)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for construction projects that confront emergent and unavoidable costs in excess of the construction contingency and management reserves included in the project appropriation. For requests occurring during a legislative session, an agency must notify the legislative fiscal committees before requesting contingency funds from the office of financial management. Eligible agencies that may apply to the pool include higher education institutions, the state parks and recreation commission, the department of corrections, the department of enterprise services, and the department of health. Eligible construction projects are only

projects that had project cost reductions. The office of financial management must notify the legislative evaluation and accountability program committee, the house capital budget committee, and senate ways and means committee as projects are approved for funding.

Appropriation:

State Building Construction Account—State	((\$4,000,000))
-	\$1,875,000
Prior Biennia (Expenditures)	
Future Biennia (Projected Costs)	\$0
TOTAL	$\dots ((\$4,000,000))$
	\$1.875.000

Sec. 6008. 2013 2nd sp.s c 19 s 1109 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ENTERPRISE SERVICES

1063 Block Replacement (91000016)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section is provided solely for predesign and bridging documents, design, competition honoraria, project management, demolition, and other planning activities including permits. The predesign must specify the tenants of the building as directed by the office of financial management. The predesign must indicate the estimated annual cost increase for state agency tenants compared to the cost of their existing leases. The estimated cost increase may take into account estimated cost savings in staff costs and other costs that may result in more efficient building design and layout of office space. The director of the office of financial management must review these cost estimates and submit a report to the appropriate committees of the legislature indicating the budget increase that would be required sixty days prior to executing any construction contracts for the building. The lease for any prospective tenant may not be extended beyond the anticipated occupancy date of the building. ((The building will be alternatively financed as authorized in section 7014 of this act.))

Appropriation:

State Building Construction Account—State	\$13,000,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	\$13,000,000

Sec. 6009. 2013 2nd sp.s. c 19 s 1093 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ENTERPRISE SERVICES

Natural Resource Building Roof Replacement/Exterior Foam Insulation Repairs (30000546)

Reappropriation:

State Building Construction Account—State	((\$510,000))
	\$33,000
Prior Biennia (Expenditures)	$\dots ((\$3,972,000))$
	\$4,409,000

Future Biennia (Projected Costs)
Sec. 6010. 2013 2nd sp.s. c 19 s 1099 (uncodified) is amended to read as follows:
FOR THE DEPARTMENT OF ENTERPRISE SERVICES Legislative Building Critical Hydronic Loop Repairs (30000584)
Reappropriation: State Building Construction Account—State
Appropriation: State Building Construction Account—State
Prior Biennia (Expenditures)
Future Biennia (Projected Costs). \$0 TOTAL
Sec. 6011. 2013 2nd sp.s. c 19 s 1108 (uncodified) is amended to read as follows:
FOR THE DEPARTMENT OF ENTERPRISE SERVICES Legislative Building Exterior Repairs (30000604)
Legislative Building Exterior Repairs (30000604) Appropriation: State Building Construction Account—State
Legislative Building Exterior Repairs (30000604) Appropriation: State Building Construction Account—State
Legislative Building Exterior Repairs (30000604) Appropriation: State Building Construction Account—State
Legislative Building Exterior Repairs (30000604) Appropriation: State Building Construction Account—State ((\$1,000,000)) Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL ((\$1,000,000)) TOTAL ((\$1,000,000)) Sec. 6012. 2013 2nd sp.s. c 19 s 1104 (uncodified) is amended to read as
Legislative Building Exterior Repairs (30000604) Appropriation: State Building Construction Account—State
Legislative Building Exterior Repairs (30000604) Appropriation: State Building Construction Account—State

FOR THE DEPARTMENT OF ENTERPRISE SERVICES

follows:

Natural Resource Building Repairs Phase 1 (91000009)

The appropriations in this section are subject to the following conditions and limitations: The natural resource building repairs phase 1 project must include at a minimum the multipurpose room water infiltration project and the roof project. After this work is completed, the department may include work that was in the department's 2013-2015 capital budget request for other repairs to the building.

	tion:

State Building Construction Account—State	((\$4,161,000))
	\$4,041,000
Thurston County Capital Facilities Construction	
Account—State	\$940,000
Subtotal Appropriation	$\dots ((\$5,101,000))$
• •	\$4,981,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	$\dots ((\$5,101,000))$
	\$4,981,000

Sec. 6014. 2013 2nd sp.s. c 19 s 2024 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

Monroe Corrections Center: WSR Living Units Roofs (30000542)

Appropriation:

State Building Construction Account—State((\$1,785,000))
<u>\$1,868,000</u>
Prior Biennia (Expenditures)\$0
Future Biennia (Projected Costs)\$0
TOTAL
\$1,868,000

Sec. 6015. 2013 2nd sp.s. c 19 s 2028 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

Washington Corrections Center for Women: Replace Fire Alarm System (30000727)

Appropriation:

State Building Construction Account—State	((\$2,569,000))
	\$2,649,000
Prior Biennia (Expenditures)	\$0
Future Biennia (Projected Costs)	
TOTAL	$\dots ((\$2,569,000))$
	\$2,649,000

Sec. 6016. 2013 2nd sp.s. c 19 s 3067 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

Water Pollution Control Revolving Program (30000327)

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

- (1) ((\$7,750,000 for fiscal year 2014 and \$7,750,000)) \$15,500,000 for fiscal year 2015 of the ((state building construction)) water pollution control revolving account—state is provided solely as state match for federal clean water funds.
- (2) For projects involving repair, replacement, or improvement of a wastewater treatment plant or other public works facility for which an investment grade efficiency audit is obtainable, the department of ecology must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its water pollution control <u>loan</u> program ((loan)).

Appropriation:

((State Building Construction Account—State
Water Pollution Control Revolving Account—
State
\$200,000,000
Water Pollution Control Revolving
Account—Federal
Subtotal Appropriation
Prior Biennia (Expenditures)
Future Biennia (Projected Costs)\$510,000,000
TOTAL \$760,000,000

Sec. 6017. 2013 2nd sp.s. c 19 s 3058 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

Skagit Mitigation (91000181)

The reappropriation in this section is subject to the following conditions and limitations: The reappropriation in this section is provided solely for the department to develop mitigation options and alternative water sources or tools to make water available for stream flows and for rural domestic permit-exempt uses within the ((Carpenter/Fisher, East Nookachamps, and Upper Nookachamps subbasins)) Skagit River watershed. Up to \$500,000 of the amount specified shall be used to develop a rural domestic demonstration project to determine if surface or groundwater infiltration can mitigate for ground water use during low flow periods to meet the mitigation requirements of chapter 173-503 WAC.

Reappropriation:

ippropriation.	
State Building Construction Account—State	. \$2,156,000
Prior Biennia (Expenditures)	\$69,000
Future Biennia (Projected Costs)	\$0
TOTAL	

Sec. 6018. 2013 2nd sp.s. c 19 s 3101 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMISSION

Dosewallips: Wastewater Treatment System (30000523)

A
Appropriation: State Building Construction Account—State
Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL
Sec. 6019. 2013 2nd sp.s. c 19 s 3190 (uncodified) is amended to read as follows:
FOR THE DEPARTMENT OF FISH AND WILDLIFE Mitchell Act Federal Grant (91000021)
Reappropriation: General Fund—Federal
Appropriation: General Fund—Federal \$4,000,000 Prior Biennia (Expenditures) \$672,000 Future Biennia (Projected Costs) \$0 TOTAL ((\$3,000,000) \$7,000,000
Sec. 6020. 2013 2nd sp.s. c 19 s 3212 (uncodified) is amended to read as follows:
FOR THE PUGET SOUND PARTNERSHIP Community Partnership Restoration Grants (30000007)
Community Partnership Restoration Grants (30000007) Reappropriation: General Fund—Federal
Community Partnership Restoration Grants (30000007) Reappropriation: General Fund—Federal
Community Partnership Restoration Grants (30000007) Reappropriation: General Fund—Federal
Community Partnership Restoration Grants (30000007) Reappropriation: General Fund—Federal ((\$1,155,000) Prior Biennia (Expenditures) ((\$445,000)) Future Biennia (Projected Costs) \$0 TOTAL ((\$1,600,000)) \$1,625,000
Community Partnership Restoration Grants (30000007) Reappropriation: General Fund—Federal
Community Partnership Restoration Grants (30000007) Reappropriation: General Fund—Federal
Community Partnership Restoration Grants (30000007) Reappropriation: General Fund—Federal
Community Partnership Restoration Grants (30000007) Reappropriation: General Fund—Federal

follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

2013-2015 School Construction Assistance Program - Maintenance (30000145)

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

- (1) \$1,340,000 of the common school construction account—state appropriation is provided solely for study and survey grants and for completing inventory and building condition assessments for all public school districts once every six years.
- (2) \$933,000 of the common school construction account—state appropriation is provided solely for mapping the design of new facilities and remapping the design of facilities to be remodeled, for school construction projects funded through the school construction assistance program.
- (3) The office of the superintendent of public instruction must improve webbased access by taxpayers to school capacity and actual enrollment in order to understand possible opportunities to increase efficiency through consolidation. The office of the superintendent of public instruction must post this capacity and enrollment information on its web site.
- (4) Funds from this appropriation may be used to match federal dollars provided by the office of economic adjustment for school replacement facilities located on military bases.
- (5) The office of the superintendent of public instruction must expedite allocation and distribution of any eligible funds under the school construction assistance grant program to the Evergreen (Clark County) School District to address the school construction emergency resulting from the fire that destroyed the Crestline School.
- (6) The space allocations for state funding assistance purposes for districts with senior or four-year high schools with fewer than four hundred students, as outlined in WAC 392-343-035, must be computed in accordance with the following formula:

Number of Headcount	Maximum Space			
Student-Grades 9-12	Allocation Per Facility			
0-200	42,000 square feet			
201-300	48,000 square feet			
301-or more	52,000 square feet			

(7) \$775,000 of the common school construction account—state appropriation is provided solely as state funding assistance in addition to any previously awarded state funding assistance for the La Conner middle school replacement.

Appropriation:

State Building Construction Account—State	.((\$285,355,000))
Common School Construction Account State	\$382,563,000
Common School Construction Account—State	\$1,526,000

Common School Construction Account—Federal \$33,500,000 Subtotal Appropriation. ((\$495,887,000)) Subtotal Appropriation. ((\$495,887,000)) Prior Biennia (Expenditures). \$387,589,000 Prior Biennia (Projected Costs). ((\$3,099,310,000)) TOTAL ((\$3,099,310,000)) Sa,099,270,000 TOTAL ((\$3,594,397,000)) Sec. 6023. 2013 2nd sp.s. c 19 s 5015 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION WA-NIC (Washington Network for Innovative Careers) Skills Center-Snoqualmie Valley School District/Bellevue Community College (92000006) Reappropriation: State Building Construction Account—State ((\$1,715,000)) Prior Biennia (Expenditures). \$31,000 Prior Biennia (Projected Costs). \$0 TOTAL ((\$1,715,000)) Sec. 6024. 2013 2nd sp.s. c 19 s 5025 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197). Appropriation: State Building Construction Account—State ((\$10,000,000)) Prior Biennia (Expenditures). \$6,656,000 Prior Biennia (Expenditures). \$6,656,000 Sec. 6025. 2013 2nd sp.s. c 19 s 5055 (uncodified) is amended to read as follows: FOR THE WASHINGTON STATE UNIVERSITY Washington State University Pullman Pedestrian Bridge (91000028) Appropriation: Washington State University Building Account—State ((\$1,500,000)) Prior Biennia (Expenditures) \$0 Prior Bienn	
Subtotal Appropriation	
Prior Biennia (Expenditures). \$387,589,000 Priure Biennia (Projected Costs). \$(\$3,099,310,000) TOTAL \$(\$3,099,270,000) TOTAL \$(\$3,594,397,000)\$ Sec. 6023. 2013 2nd sp.s. c 19 s 5015 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION WA-NIC (Washington Network for Innovative Careers) Skills Center -Snoqualmie Valley School District/Bellevue Community College (92000006) Reappropriation: State Building Construction Account—State \$((\$1,715,000))\$ Prior Biennia (Expenditures). \$0 TOTAL \$((\$1,715,000))\$ Sec. 6024. 2013 2nd sp.s. c 19 s 5025 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197). Appropriation: State Building Construction Account—State \$(\$10,000,000)\$ Prior Biennia (Expenditures). \$0 Future Biennia (Expenditures). \$0 Future Biennia (Expenditures). \$0 TOTAL \$(\$10,000,000)\$ Sec. 6025. 2013 2nd sp.s. c 19 s 5055 (uncodified) is amended to read as follows: FOR THE WASHINGTON STATE UNIVERSITY Washington State University Pullman Pedestrian Bridge (91000028) Appropriation: Washington State University Building Account—State. \$((\$1,500,000)) Washington State University Building Account—State. \$((\$1,500,000))	\$3,500,000 Subtotal Appropriation ((\$405.087.000)
Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$3,099,270,000 TOTAL \$3,099,270,000 TOTAL \$3,099,270,000 Sec. 6023. 2013 2nd sp.s. c 19 s 5015 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION WA-NIC (Washington Network for Innovative Careers) Skills Center-Snoqualmie Valley School District/Bellevue Community College (92000006) Reappropriation: State Building Construction Account—State \$31,000 Prior Biennia (Expenditures) \$0 Future Biennia (Projected Costs) \$0 TOTAL \$31,000 Sec. 6024. 2013 2nd sp.s. c 19 s 5025 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197). Appropriation: State Building Construction Account—State \$6,656,000 Prior Biennia (Expenditures) \$0 Future Biennia (Expenditures) \$0 TOTAL \$6,656,000 Prior Biennia (Expenditures) \$0 TOTAL \$6,656,000 Sec. 6025. 2013 2nd sp.s. c 19 s 5055 (uncodified) is amended to read as follows: FOR THE WASHINGTON STATE UNIVERSITY Washington State University Pullman Pedestrian Bridge (91000028) Appropriation: Washington State University Building Account—State ((\$1,500,000))	
TOTAL	Prior Biennia (Expenditures)\$0
TOTAL	
\$3,486,859,000 Sec. 6023. 2013 2nd sp.s. c 19 s 5015 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION WA-NIC (Washington Network for Innovative Careers) Skills Center - Snoqualmie Valley School District/Bellevue Community College (92000006) Reappropriation: State Building Construction Account—State	TOTAL ((\$3.594.397.000)
follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION WA-NIC (Washington Network for Innovative Careers) Skills Center - Snoqualmie Valley School District/Bellevue Community College (92000006) Reappropriation: State Building Construction Account—State	
WA-NIC (Washington Network for Innovative Careers) Skills Center Snoqualmie Valley School District/Bellevue Community College (92000006) Reappropriation: State Building Construction Account—State	
Snoqualmie Valley School District/Bellevue Community College (92000006) Reappropriation: State Building Construction Account—State	
State Building Construction Account—State ((\$\frac{\(\frac{\)}}}}}}}}}}}} \) \circ\{\frac{\(\frac{\(\frac{\(\frac{\(\frac{\(\frac{\inctitac{\inctitack}}}}}}}}} \) \circ\{\(\frac{\inc{\inctitaccccccccccccccccccccccccccccccccc	
Prior Biennia (Expenditures). \$0 Future Biennia (Projected Costs). \$0 TOTAL	
Future Biennia (Projected Costs). \$0 TOTAL	\$31,000
TOTAL	
Sec. 6024. 2013 2nd sp.s. c 19 s 5025 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197). Appropriation: State Building Construction Account—State	TOTAL
FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197). Appropriation: State Building Construction Account—State	Sec. 6024. 2013 2nd sp.s. c 19 s 5025 (uncodified) is amended to read as
limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197). Appropriation: State Building Construction Account—State	
State Building Construction Account—State	
Prior Biennia (Expenditures). \$0 Future Biennia (Projected Costs). \$0 TOTAL ((\$10,000,000)) \$6,656,000 Sec. 6025. 2013 2nd sp.s. c 19 s 5055 (uncodified) is amended to read as follows: FOR THE WASHINGTON STATE UNIVERSITY Washington State University Pullman Pedestrian Bridge (91000028) Appropriation: Washington State University Building Account—State (\$1,500,000)) \$0	School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws
Future Biennia (Projected Costs). \$0 TOTAL	School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197).
Sec. 6025. 2013 2nd sp.s. c 19 s 5055 (uncodified) is amended to read as follows: FOR THE WASHINGTON STATE UNIVERSITY Washington State University Pullman Pedestrian Bridge (91000028) Appropriation: Washington State University Building Account—State	School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197). Appropriation: State Building Construction Account—State
follows: FOR THE WASHINGTON STATE UNIVERSITY Washington State University Pullman Pedestrian Bridge (91000028) Appropriation: Washington State University Building Account—State	School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197). Appropriation: State Building Construction Account—State
Washington State University Pullman Pedestrian Bridge (91000028) Appropriation: Washington State University Building Account—State	School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197). Appropriation: State Building Construction Account—State
Washington State University Building Account—State	School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197). Appropriation: State Building Construction Account—State
Prior Biennia (Expenditures) \$0 \$0	School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197). Appropriation: State Building Construction Account—State
	School Security Improvement Grants (92000015) The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for nonrecurring costs associated with school facility safety projects consistent with chapter 233, Laws of 2013 (Second Engrossed Substitute Senate Bill No. 5197). Appropriation: State Building Construction Account—State

Future Biennia (Projected Costs). \$0 TOTAL
Sec. 6026. 2013 2nd sp.s. c 19 s 5108 (uncodified) is amended to read as follows:
FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Bates Technical College: Mohler Communications Technology Center (20082703)
Reappropriation: State Building Construction Account—State
Appropriation: State Building Construction Account—State
Prior Biennia (Expenditures) \$24,519,000 Future Biennia (Projected Costs) \$1,709,000 \$0 \$0
TOTAL
Sec. 6027. 2013 2nd sp.s. c 19 s 5110 (uncodified) is amended to read as follows:
FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM Clark College: Health and Advanced Technologies Building (20082705)
Reappropriation: State Building Construction Account—State
Appropriation: State Building Construction Account—State
\$34,478,000 Prior Biennia (Expenditures) \$1,239,000 Future Biennia (Projected Costs) \$0
TOTAL
Sec. 6028. 2013 2nd sp.s. c 19 s 7043 (uncodified) is amended to read as follows:
FOR THE STATE TREASURER—TRANSFERS
State Toxic Control Account: For transfer to the
Local Toxic Control Account\$4,000,000
Environmental Legacy Stewardship Account: For
transfer to the Local Toxic Control Account
State Taxable Building Construction Account: For transfer to the drinking water assistance
account, \$4,000,000 for fiscal year 2015. \$4,000,000
State Taxable Building Construction Account: For
transfer to the water pollution control
revolving account, \$15,500,000 for fiscal

Sec. 6029. RCW 43.160.080 and 2010 1st sp.s. c 36 s 6011 are each amended to read as follows:

There shall be a fund in the state treasury known as the public facilities construction loan revolving account, which shall consist of all moneys collected under this chapter and any moneys appropriated to it by law. Disbursements from the revolving account shall 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 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.)) During the 2013-2015 biennium, amounts in the public facilities construction loan revolving account may be used for the animal disease traceability project in section 3247, chapter 19, Laws of 2013 2nd sp. sess., administered by the department of agriculture. During the 2013-2015 biennium. sums in the public facilities construction loan revolving account may be used for the clean energy partnership project in section 1038, chapter 19, Laws of 2013 2nd sp. sess.

<u>NEW SECTION.</u> **Sec. 6030.** A new section is added to 2013 2nd sp.s. c 19 (uncodified) to read as follows:

To the extent that any appropriation authorizes expenditures of state funds from the state building construction account, or from any other capital project account in the state treasury, for a capital project or program that is specified to be funded with proceeds from the sale of bonds, the legislature declares that any such expenditures for that project or program made prior to the issue date of the applicable bonds are intended to be reimbursed from proceeds of those bonds in a maximum amount equal to the amount of such appropriation.

<u>NEW SECTION.</u> **Sec. 6031.** 2013 2nd sp.s. c 19 ss 1090 and 7013 (uncodified) are each repealed.

PART 7 MISCELLANEOUS PROVISIONS

<u>NEW SECTION.</u> **Sec. 7001.** RCW 43.88.031 requires the disclosure of the estimated debt service costs associated with new capital bond appropriations. The estimated debt service costs for the appropriations contained in this act are thirty-six million eight hundred thirteen thousand dollars for the 2015-2017 biennium, two hundred thirty-three million two hundred eighty-six thousand dollars for the 2017-2019 biennium, and three hundred twenty-seven million two hundred thirty-four thousand dollars for the 2019-2021 biennium.

<u>NEW SECTION.</u> **Sec. 7002.** ACQUISITION OF PROPERTIES AND FACILITIES THROUGH FINANCIAL CONTRACTS. (1) The following agencies may enter into financial contracts, paid from any funds of an agency, appropriated or nonappropriated, for the purposes indicated and in not more than the principal amounts indicated, plus financing expenses and required reserves

pursuant to chapter 39.94 RCW. When securing properties under this section, agencies shall use the most economical financial contract option available, including long-term leases, lease-purchase agreements, lease-development with option to purchase agreements or financial contracts using certificates of participation. Expenditures made by an agency for one of the indicated purposes before the issue date of the authorized financial contract and any certificates of participation therein are intended to be reimbursed from proceeds of the financial contract and any certificates of participation therein to the extent provided in the agency's financing plan approved by the state finance committee.

State agencies may enter into agreements with the department of enterprise services and the state treasurer's office to develop requests to the legislature for acquisition of properties and facilities through financial contracts. The agreements may include charges for services rendered.

- (2) Those noninstructional facilities of higher education institutions authorized in this section to enter into financial contracts are not eligible for state funded maintenance and operations. Instructional space that is available for regularly scheduled classes for academic transfer, basic skills, and workforce training programs may be eligible for state funded maintenance and operations.
- (3) Department of enterprise services: Enter into a financing contract for up to \$69,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to construct a new office building at 1063 Capitol Way South, Olympia.
- (4) Department of enterprise services: Enter into a financing contract for up to \$8,077,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to repair the natural resources building parking garage fire suppression system.
- (5) Department of ecology: Enter into a financing contract for up to \$180,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for programmatic improvements to the headquarters building and the eastern regional office.
- (6) Department of ecology: Enter into a financing contract for up to \$760,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for preservation improvements to the headquarters building.
- (7) Central Washington University: Enter into a financing contract for up to \$8,414,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to construct a welcome center.
- (8) The Evergreen State College: Enter into a financing contract for up to \$12,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase a permanent location for the Tacoma program.
- (9) Western Washington University: Enter into a financing contract for up to \$6,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the carver building renovation.
- (10) Eastern Washington University: Enter into a financing contract for up to \$10,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW for the Washington street facility project. The university shall not use their building account or other appropriated account as a fund source for the certificate of participation.
 - (11) Community and technical colleges:

- (a) Enter into a financing contract on behalf of Centralia Community College for up to \$5,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to renovate the student services building.
- (b) Enter into a financing contract on behalf of Centralia Community College for up to \$3,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to purchase or construct student housing.
- (c) Enter into a financing contract on behalf of Clark College for up to \$8,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to renovate the culinary arts facility.
- (d) Enter into a financing contract on behalf of Clark College for up to \$35,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to design and construct a student recreation center.
- (e) Enter into a financing contract on behalf of Columbia Basin College for up to \$7,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to design and construct a health science center.
- (f) Enter into a financing contract on behalf of Green River College for up to \$15,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to construct an aviation program center.
- (g) Enter into a financing contract on behalf of Highline College for up to \$1,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to renovate the maintenance and grounds building.
- (h) Enter into a financing contract on behalf of Lower Columbia College for up to \$3,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to renovate the main building.
- (i) Enter into a financing contract on behalf of Lower Columbia College for up to \$3,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to renovate and expand the Myklebust gymnasium.
- (j) Enter into a financing contract on behalf of Tacoma Community College for up to \$12,000,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to expand a health and wellness center.
- (k) Enter into a financing contract on behalf of Walla Walla Community College for up to \$1,500,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to construct a workforce and business development center.
- (12) Washington state patrol: Enter into a financing contract for up to \$13,700,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW to replace the fire training academy burn building; however, local agencies that use the burn building must have indicated support for required fee increases to pay for the debt service for the financing contract. Indication of support means at least sixty percent of local agencies which have used the facility within the prior ten years support the fee increase.
- (13) Department of corrections: Enter into a financing contract for up to \$2,163,000 plus financing expenses and required reserves for the remodel of the correctional industry's food factory.

<u>NEW SECTION.</u> **Sec. 7003.** (1) The legislature finds that use of life-cycle cost analysis will aid public entities, architects, engineers, and contractors in making design and construction decisions that positively impact both the initial construction cost and the ongoing operating and maintenance cost of a project. To ensure that the total cost of a project is accounted for and the most reasonable

and cost efficient design is used, agencies shall develop life-cycle costs for any construction project over \$10,000,000. The life-cycle costs must represent the present value sum of capital costs, installation costs, operating costs, and maintenance costs over the life expectancy of the project. The legislature further finds the most effective approach to the life-cycle cost analysis is to integrate it into the early part of the design process.

- (2) Agencies shall develop a minimum of three project alternatives for use in the life-cycle cost analysis. These alternatives must be both distinctly different and viable solutions to the issue being addressed. The chosen alternative must be the most reasonable and cost-effective solution. A brief description of each project alternative and why it was chosen must be included in the life-cycle cost analysis section of the predesign.
- (3) The office of financial management shall: (a) Make available a life-cycle cost model to be used for analysis; (b) in consultation with the department of enterprise services, provide assistance in using the life-cycle cost model; and (c) update the life-cycle cost model annually including assumptions for inflation rates, discount rates, and energy rates.
- (4) Agencies shall consider architectural and engineering firms' and general contractors' experience using life-cycle costs, operating costs, and energy efficiency measures when selecting an architectural and engineering firm, or when selecting contractors using alternative contracting methods.

NEW SECTION. Sec. 7004. To ensure that major construction projects are carried out in accordance with legislative and executive intent, appropriations in this act in excess of \$10,000,000 may not be expended or encumbered until the office of financial management has reviewed and approved the agency's predesign. The predesign document must include, but not be limited to, program, site, and cost analysis, including life-cycle cost, in accordance with the predesign manual adopted by the office of financial management. The results of life-cycle cost analysis must be a primary consideration in the selection of a building design. Construction may proceed only upon providing to the office of financial management the life-cycle costs. To improve monitoring of major construction projects, progress reports must be submitted by the agency administering the project to the office of financial management and to the fiscal committees of the house of representatives and senate. Reports must be submitted on July 1st and December 31st each year in a format to be developed by the office of financial management.

<u>NEW SECTION.</u> **Sec. 7005.** (1) Allotments for appropriations in this act shall be provided in accordance with the capital project review requirements adopted by the office of financial management and in compliance with RCW 43.88.110. Projects that will be employing alternative public works construction procedures under chapter 39.10 RCW are subject to the allotment procedures defined in this section and RCW 43.88.110.

(2) Each project is defined as proposed in the legislative budget notes or in the governor's budget document.

<u>NEW SECTION.</u> **Sec. 7006.** (1) The office of financial management may authorize a transfer of appropriation authority provided for a capital project that is in excess of the amount required for the completion of such project to another capital project for which the appropriation is insufficient. No such transfer may

be used to expand the capacity of any facility beyond that intended in making the appropriation. Such transfers may be effected only between capital appropriations to a specific department, commission, agency, or institution of higher education and only between capital projects that are funded from the same fund or account. No transfers may occur between projects to local government agencies except where the grants are provided within a single omnibus appropriation and where such transfers are specifically authorized by the implementing statutes that govern the grants.

- (2) The office of financial management may find that an amount is in excess of the amount required for the completion of a project only if: (a) The project as defined in the notes to the budget document is substantially complete and there are funds remaining; or (b) bids have been let on a project and it appears to a substantial certainty that the project as defined in the notes to the budget document can be completed within the biennium for less than the amount appropriated in this act.
- (3) For the purposes of this section, the intent is that each project be defined as proposed to the legislature in the governor's budget document, unless it clearly appears from the legislative history that the legislature intended to define the scope of a project in a different way.
- (4) A report of any transfer effected under this section, except emergency projects or any transfer under \$250,000, shall be filed with the legislative fiscal committees of the senate and house of representatives by the office of financial management at least thirty days before the date the transfer is effected. The office of financial management shall report all emergency or smaller transfers within thirty days from the date of transfer.

<u>NEW SECTION.</u> **Sec. 7007.** (1) It is expected that projects be ready to proceed in a timely manner depending on the type or phase of the project or program that is the subject of the appropriation in this act. Except for major projects that customarily may take more than two biennia to complete from predesign to the end of construction, or large infrastructure grant or loan programs supporting projects that often take more than two biennia to complete, the legislature generally does not intend to reappropriate funds more than once, particularly for smaller grant programs, local/community projects, and minor works.

- (2) Agencies shall expedite the expenditure of reappropriations and appropriations in this act in order to: (a) Rehabilitate infrastructure resources; (b) accelerate environmental rehabilitation and restoration projects for the improvement of the state's natural environment; (c) reduce additional costs associated with acquisition and construction inflationary pressures; and (d) provide additional employment opportunities associated with capital expenditures.
- (3) To the extent feasible, agencies are directed to accelerate expenditure rates at their current level of permanent employees and shall use contracted design and construction services wherever necessary to meet the goals of this section.

<u>NEW SECTION.</u> **Sec. 7008.** (1) Any building project that receives over \$10,000,000 in funding from the capital budget must be built to sustainable standards. "Sustainable building" means a building that integrates and optimizes

all major high-performance building attributes, including energy efficiency, durability, life-cycle performance, and occupant productivity. The following design and construction attributes must be integrated into the building project:

- (a) Employ integrated design principles: Use a collaborative, integrated planning and design process that initiates and maintains an integrated project team in all stages of a project's planning and delivery. Establish performance goals for siting, energy, water, materials, and indoor environmental quality along with other comprehensive design goals and ensures incorporation of these goals throughout the design and life-cycle of the building. Considers all stages of the building's life-cycle, including deconstruction.
- (b) Commissioning: Employ commissioning practices tailored to the size and complexity of the building and its system components in order to verify performance of building components and systems and help ensure that design requirements are met. This should include an experienced commissioning provider, inclusion of commissioning requirements in construction documents, a commissioning plan, verification of the installation and performance of systems to be commissioned, and a commissioning report.
- (c) Optimize energy performance: Establish a whole building performance target that takes into account the intended use, occupancy, operations, plug loads, other energy demands, and design to earn the ENERGY STAR targets for new construction and major renovation where applicable. For new construction target low energy use index. For major renovations, reduce the energy use by fifty percent below pre-renovations baseline.
- (d) On-site renewable energy: Meet at least thirty percent of the hot water demand through the installation of solar hot water heaters, when life-cycle cost effective. Implement renewable energy generation projects on agency property for agency use, when life-cycle cost effective.
- (e) Measurement and verification: Install building level electricity meters in new major construction and renovation projects to track and continuously optimize performance. Include equivalent meters for natural gas and steam, where natural gas and steam are used. Install dashboards inside buildings to display and incentivize occupants on energy use.
- (f) Benchmarking: Compare actual performance data from the first year of operation with the energy design target. Verify that the building performance meets or exceeds the design target. For other building and space types, use an equivalent benchmarking tool for laboratory buildings. Web-based data collection and dashboards must also be provided.
- <u>NEW SECTION.</u> **Sec. 7009.** State agencies, including institutions of higher education, shall allot and report full-time equivalent staff for capital projects in a manner comparable to staff reporting for operating expenditures.
- <u>NEW SECTION.</u> **Sec. 7010.** Executive Order No. 05-05, archaeological and cultural resources, was issued effective November 10, 2005. Agencies and higher education institutions shall comply with the requirements set forth in this executive order.
- <u>NEW SECTION.</u> **Sec. 7011.** PUGET SOUND PROTECTION AND RESTORATION. Consistent with RCW 90.71.340, when expending appropriations under this act that contribute to Puget Sound protection and recovery, agencies shall consult with the Puget Sound partnership to ensure that

projects and expenditures are either in, or consistent with the 2020 action agenda. These consultations shall include the exchange of information on specific actions, projects, associated funding, performance measures, and other information necessary to track project implementation and ensure alignment with the action agenda. In situations where the Puget Sound partnership finds that a project is not in, or is not consistent with the action agenda, Puget Sound partnership shall document this finding and report back to the governor and legislative fiscal committees.

<u>NEW SECTION.</u> **Sec. 7012.** FOR THE ARTS COMMISSION—ART WORK ALLOWANCE. (1) One-half of one percent of moneys appropriated in this act for original construction of school plant facilities is provided solely for the purposes of RCW 28A.335.210.

- (2) One-half of one percent of moneys appropriated in this act for original construction or any major renovation or remodel work exceeding \$200,000 by colleges or universities is provided solely for the purposes of RCW 28B.10.027.
- (3) One-half of one percent of moneys appropriated in this act for original construction of any public building by a state agency identified in RCW 43.17.020 is provided solely for the purposes of RCW 43.17.200.
- (4) At least eighty-five percent of the moneys spent by the Washington state arts commission during the 2015-2017 biennium for the purposes of RCW 28A.335.210, 28B.10.027, and 43.17.200 must be expended solely for direct acquisition of works of art. Art allocations not expended within the ensuing two biennia will lapse. The commission may use up to \$100,000 of this amount to conserve or maintain existing pieces in the state art collection pursuant to RCW 28A.335.210.
- (5) The executive director of the arts commission shall appoint a study group to review the operations of the one-half of one percent for works of art purchased or commissioned as required by RCW 28A.335.210, 28B.10.027, and 43.17.200. The findings of the review must be reported annually to the office of financial management and the fiscal committees of the legislature by August 15th. The review must include, but is not limited to, the following: (a) Projects purchased or commissioned per biennium; (b) partner agencies; (c) funding sources by fiscal year; (d) artwork costs; (e) administrative costs; (f) collection care costs; and (g) project status.

<u>NEW SECTION.</u> **Sec. 7013.** It is confirmed that the director of the department of enterprise services is authorized under chapter 35A.14 RCW to petition for annexation of the former northern state hospital property to the city of Sedro-Woolley upon the director's determination that such annexation is appropriate and in furtherance of the interests of the state. The director shall consult with the office of financial management prior to making such determination.

Sec. 7014. RCW 27.34.330 and 2006 c 371 s 232 are each amended to read as follows:

The Washington state historical society shall establish a competitive process to solicit proposals for and prioritize heritage capital projects for potential funding in the state capital budget. The society shall adopt rules governing project eligibility and evaluation criteria. Application for funding of specific projects may be made to the society by local governments, public development

authorities, nonprofit corporations, tribal governments, and other entities, as determined by the society. The society, with the advice of leaders in the heritage field, including but not limited to representatives from the office of the secretary of state, the eastern Washington state historical society, and the department of archaeology and historic preservation, shall establish and submit a prioritized list of heritage capital projects to the governor and the legislature in the society's biennial capital budget request. The list shall include a description of each project, the amount of recommended state funding, and documentation of nonstate funds to be used for the project. The total amount of recommended state funding for projects on a biennial project list shall not exceed ten million dollars. The prioritized list shall be developed through open and public meetings and the amount of state funding shall not exceed thirty-three and thirty-three one hundredths percent of the total cost of the project. The nonstate portion of the total project cost may include cash, the value of real property when acquired solely for the purpose of the project, and in-kind contributions. The department shall not sign contracts or otherwise financially obligate funds under this section until the legislature has approved a specific list of projects. In contracts for grants authorized under this section, the society shall include provisions requiring that capital improvements be held by the grantee for a specified period of time appropriate to the amount of the grant and that facilities be used for the express purpose of the grant. If the grantee is found to be out of compliance with provisions of the contract, the grantee shall repay to the state general fund the principal amount of the grant plus interest calculated at the rate of interest on state of Washington general obligation bonds issued most closely to the date of authorization of the grant.

<u>NEW SECTION.</u> **Sec. 7015.** To carry out the provisions of this act, the governor may assign responsibility for predesign, design, construction, and other related activities to any appropriate agency.

<u>NEW SECTION.</u> **Sec. 7016.** If any federal moneys appropriated by this act for capital projects are not received by the state, the department or agency to which the moneys were appropriated may replace the federal moneys with funds available from private or local sources. No replacement may occur under this section without the prior approval of the director of financial management in consultation with the senate ways and means committee and the house of representatives capital budget committee.

<u>NEW SECTION.</u> **Sec. 7017.** (1) Unless otherwise stated, for all appropriations under this act that require a match of nonstate money or in-kind contributions, the following requirement, consistent with RCW 43.88.150, shall apply: Expenditures of state money shall be timed so that the state share of project expenditures never exceeds the intended state share of total project costs.

(2) Provision of the full amount of required matching funds is not required to permit the expenditure of capital budget appropriations for phased projects if a proportional amount of the required matching funds is provided for each distinct, identifiable phase of the project.

Sec. 7018. RCW 28A.525.166 and 2013 2nd sp.s. c 18 s 514 are each amended to read as follows:

Allocations to school districts of state funds provided by RCW 28A.525.162 through 28A.525.180 shall be made by the superintendent of public instruction

and the amount of state funding assistance to a school district in financing a school plant project shall be determined in the following manner:

- (1) The boards of directors of the districts shall determine the total cost of the proposed project, which cost may include the cost of acquiring and preparing the site, the cost of constructing the building or of acquiring a building and preparing the same for school use, the cost of necessary equipment, taxes chargeable to the project, necessary architects' fees, and a reasonable amount for contingencies and for other necessary incidental expenses: PROVIDED, That the total cost of the project shall be subject to review and approval by the superintendent.
- (2) The state funding assistance percentage for a school district shall be computed by the following formula:

The ratio of the school district's adjusted valuation per pupil divided by the ratio of the total state adjusted valuation per pupil shall be subtracted from three, and then the result of the foregoing shall be divided by three plus (the ratio of the school district's adjusted valuation per pupil divided by the ratio of the total state adjusted valuation per pupil).

		District adjusted		Total state		
		3-valuation	÷	 adjusted valua 	tion	
Computed		per pupil		per pupil		State
State	=				= - %	6 Funding
Ratio		District adjusted		Total state		Assistance
		3+valuation	÷	 adjusted valua 	tion	
		per pupil		per pupil		

PROVIDED, That in the event the state funding assistance percentage to any school district based on the above formula is less than twenty percent and such school district is otherwise eligible for state funding assistance under RCW 28A.525.162 through 28A.525.180, the superintendent may establish for such district a state funding assistance percentage not in excess of twenty percent of the approved cost of the project, if the superintendent finds that such additional assistance is necessary to provide minimum facilities for housing the pupils of the district.

- (3) In addition to the computed state funding assistance percentage developed in subsection (2) of this section, a school district shall be entitled to additional percentage points determined by the average percentage of growth for the past three years. One percent shall be added to the computed state funding assistance percentage for each percent of growth, with a maximum of twenty percent.
- (4) In computing the state funding assistance percentage in subsection (2) of this section and adjusting the percentage under subsection (3) of this section, students residing outside the school district who are enrolled in alternative learning experience courses under RCW 28A.232.010 shall be excluded from the count of total pupils. In lieu of the exclusion in this subsection, a district may submit an alternative calculation for excluding students enrolled in alternative learning experience courses. The alternative calculation must show the student headcount use of district classroom facilities on a regular basis for a reasonable duration by out-of-district alternative learning experience students not using district classroom facilities on a regular basis for a reasonable duration. The

alternative calculation must be submitted in a form approved by the office of the superintendent of public instruction. The office of the superintendent of public instruction must develop rules to define "regular basis" and "reasonable duration."

- (5) The approved cost of the project determined in the manner prescribed in this section multiplied by the state funding assistance percentage derived as provided for in this section shall be the amount of state funding assistance to the district for the financing of the project: PROVIDED, That need therefor has been established to the satisfaction of the superintendent: PROVIDED, FURTHER, That additional state funding assistance may be allowed if it is found by the superintendent, considering policy recommendations from the school facilities citizen advisory panel that such assistance is necessary in order to meet (a) a school housing emergency resulting from the destruction of a school building by fire, the condemnation of a school building by properly constituted authorities, a sudden excessive and clearly foreseeable future increase in school population, or other conditions similarly emergent in nature; or (b) a special school housing burden resulting from projects of statewide significance or imposed by virtue of the admission of nonresident students into educational programs established, maintained and operated in conformity with the requirements of law; or (c) a deficiency in the capital funds of the district resulting from financing, subsequent to April 1, 1969, and without benefit of the state funding assistance provided by prior state assistance programs, the construction of a needed school building project or projects approved in conformity with the requirements of such programs, after having first applied for and been denied state funding assistance because of the inadequacy of state funds available for the purpose, or (d) a condition created by the fact that an excessive number of students live in state owned housing, or (e) a need for the construction of a school building to provide for improved school district organization or racial balance, or (f) conditions similar to those defined under (a), (b), (c), (d), and (e) of this subsection, creating a like emergency.
- (6) For the 2015-2017 biennium, schools determined to have a lack of sufficient space to provide science classrooms or labs, to meet the requirements of law, have a special housing burden condition similar to those defined under subsection (5)(b) of this section, creating a like emergency. For the 2015-2017 biennium, school districts are entitled to additional percentage points for school construction projects that have a special housing burden condition only and have received private donations in the form of cash, in-kind, or equipment of more than one hundred thousand dollars. The additional percentage points are determined by (a) school district student enrollments in the free and reducedprice meals program, (b) school district class as defined by RCW 28A.300.065, and (c) the funding assistance percentage as calculated in subsection (2) of this section. The additional percentage points under (a) of this subsection are twenty percent of the percent of student enrollments eligible and enrolled in the free and reduced-price meals program. The additional percentage points under (b) of this subsection are ten for second class school districts. The additional percentage points under (c) of this subsection are ten for school districts with funding assistance percentages of more than fifty percent.

<u>NEW SECTION.</u> **Sec. 7019.** STATE TREASURER REPORT ON SHORT-TERM BOND FINANCING. By December 1, 2015, the office of the state

treasurer must prepare a report to the Legislature on all various purpose general obligation bond issuances for capital projects from 2005 through 2015. The report must:

- (1) Categorize the bond issuances in terms of final maturities;
- (2) Explain the current practice of repaying debt in equal debt service installments over a twenty-five-year period, regardless of the useful life of the specific projects or properties being financed; and
- (3) Recommend a pilot approach to short-term bond financing that matches final maturities with the useful life of specific projects or properties being financed.

NEW SECTION. Sec. 7020. NONTAXABLE AND TAXABLE BOND PROCEEDS. Portions of the appropriation authority granted by this act from the state building construction account, or any other account receiving bond proceeds, may be transferred to the state taxable building construction account as deemed necessary by the state finance committee to comply with the federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds. Portions of the general obligation bond proceeds authorized by chapter . . . Laws of 2015 3rd sp. sess. (Engrossed House Bill No. 1166, the general obligation bond bill) for deposit into the state taxable building construction account that are in excess of amounts required to comply with the federal internal revenue service rules and regulations shall be deposited into the state building construction account. The state treasurer shall submit written notification to the director of financial management if it is determined that a shift of appropriation authority between the state building construction account, or any other account receiving bond proceeds, and the state taxable building construction account is necessary, or that a shift of appropriation authority from the state taxable building construction account to the state building construction account may be made.

NEW SECTION. Sec. 7021. COLUMBIA RIVER BASIN NONTAXABLE AND TAXABLE BOND PROCEEDS. Portions of the appropriation authority granted by this act from the Columbia river basin water supply development account may be transferred to the Columbia river basin taxable bond water supply development account as deemed necessary by the state finance committee to comply with the federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds. The state treasurer shall submit written notification to the director of financial management if it is determined that a shift of appropriation authority between the Columbia river basin water supply development account and the Columbia river basin taxable bond water supply development account is necessary, or that a shift of appropriation authority from the Columbia river basin taxable bond water supply development account to the Columbia river basin water supply development account may be made.

<u>NEW SECTION.</u> Sec. 7022. The office of financial management, in consultation with the fiscal committees of the legislature, may select capital projects that have completed predesign to undergo a budget evaluation study. The budget evaluation study team approach using value engineering techniques and life cycle cost analysis must be utilized by the office of financial management in conducting the studies. The office of financial management shall

select the budget evaluation team members, contract for the study, and report the results to the legislature and agencies in a timely manner following the study. Funds from the project appropriation must be used by the office of financial management through an interagency agreement with the affected agencies to cover the cost of the study.

<u>NEW SECTION.</u> **Sec. 7023.** JLARC WWRP & STATE LAND ACQUISITION STUDY. (1) The joint legislative audit and review committee must conduct a review of state and local efforts to protect and conserve habitat and expand outdoor recreation since 1990.

- (2) The review has two objectives:
- (a) To determine what existing or potential objective outcome measures can be used to evaluate the success of major regulatory programs or state expenditures that are intended to protect and conserve habitat and expand outdoor recreation; and
- (b) To compare the amount of habitat lands protected through acquisitions and easements with the amount of lands protected through the major regulatory programs within three counties west of the cascades and three counties east of the cascades.
- (3) The review must include state expenditures and local and federal expenditures used to match state funding in the following programs:
 - (a) Salmon recovery funding board expenditures;
 - (b) Puget Sound acquisition and restoration;
 - (c) Puget Sound estuary and salmon restoration;
 - (d) The Washington wildlife and recreation program;
- (e) State parks and recreation commission expenditures that expand recreational lands and facilities;
- (f) Trust land transfer program and other expenditures by the department of natural resources that protect habitat or expand recreation; and
 - (g) Other state expenditures that expand recreational lands and facilities.
 - (3) The review must also include the following regulatory programs:
 - (a) Growth management regulations regarding critical areas;
 - (b) Wetland restrictions;
 - (c) Shoreline management rules;
 - (d) Forest practices regulation; and
 - (e) Hydraulic project approval program.
- (4) The review must identify other objective benefits provided by each of the included programs, such as public safety, habitat protection, environmental quality, public health, protection of intrastructure, and economic development.
- (5) The review must also examine a sample of recreation and habitat land acquisition by state agencies within the past ten years to determine whether the state agencies have a land stewardship program for the land parcels, what that program entails, and the extent of compliance with that program. Land stewardship includes, but is not limited to, restoring or developing the land to meet the objectives of the acquisition, suppressing invasive weeds, securing the property to prevent damage, and maintaining the land to prevent wildfires.
- (6) In undertaking the review, the joint legislative audit and review committee may contract with experts in measuring the outcomes of regulatory and funding programs to protect and conserve habitat.

- (7) By December 1, 2016, the joint legislative audit and review committee must submit a report to the appropriate committees of the senate and the house of representatives that presents information and findings from the study. The report is to include recommendations for accountability measures for determining the achievement of intended outcomes for protecting, acquiring, and improving habitat and recreation lands and facilities.
- <u>NEW SECTION.</u> **Sec. 7024.** SCHOOL SITING TASK FORCE. (1) The legislature recognizes that school districts are responsible for siting, building, and maintaining school facilities that provide a learning environment supportive of student achievement, and that schools are integral to the communities they serve. The legislature intends to create the legislative task force on school siting, as provided in subsection (2) of this section, to review school facility challenges created by enrollment increases and recent education reforms, including expansion of full-day kindergarten and smaller class sizes.
- (2) A legislative task force on school siting is established, with members as provided in this subsection. All member appointments or selections must be made by August 1, 2015.
- (a) The president of the senate shall appoint as members, the chairs and ranking members of the committees on government operations and security and the committee on early learning and K-12 education.
- (b) The speaker of the house of representatives shall appoint as members, the chairs and ranking members of the committees on local government and education.
- (c) The governor shall appoint one member who represents environmental concerns related to school siting, one member who represents active transportation concerns, and one member who represents the building industry.
 - (d) The task force must also include:
 - (i) A representative of the association of Washington cities;
 - (ii) A representative of the Washington state association of counties;
- (iii) Two representatives of school districts, who represent school districts that serve students in urban areas and currently are experiencing difficulty finding suitable siting locations, selected by the Washington association of school administrators;
- (iv) Two representatives of school districts, who represent school districts that serve students in rural areas and currently are experiencing difficulty finding suitable siting locations, selected by the Washington association of school administrators; and
- (v) A representative of the Washington state association of county and regional planning directors.
- (3) The task force shall choose its chair from among its legislative membership.
- (4) The task force shall review the issue of siting schools inside and outside of urban growth areas. In reviewing this issue, the task force must achieve the planning goals and requirements set forth in chapter 36.70A RCW, the needs of school districts facing capacity issues, and the infrastructure needs of local governments. The task force shall also consider the following:
- (a) A comparison of providing transportation to and from schools in urban and rural areas;

- (b) The impacts of schools on local and regional plans for growth when they are constructed in urban and rural areas;
- (c) The availability and cost of water, sewer, transportation, law enforcement, emergency response facilities and services, and other necessary public facilities and services in urban and rural areas; and
- (d) Identify school locations that provide the most financially sustainable facilities and make the most efficient use of total tax dollars for each impacted jurisdiction, including school districts, cities, county unincorporated areas, sewer/water districts, fire districts, and the state:
- (5) Staff from the office of the superintendent of public instruction and from affected school districts, counties, and cities must support the task force by providing local information as needed. Support provided by staff from the office of the superintendent of public instruction must be provided within existing resources.
- (6) Staff support for the task force must be provided within existing resources by the association of Washington cities, the Washington state association of counties, the Washington association of school administrators, and the Washington state association of county and regional planning directors.
- (7) Legislative members of the task force must be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.
- (8) The expenses of the task force must be paid jointly by the senate and the house of representatives. Task force expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.
- (9) The task force shall provide a summary of the task force's discussions and any recommendations to the appropriate committees of the legislature by December 1, 2015.
 - (10) This section expires January 1, 2016.
- **Sec. 7025.** RCW 28B.20.725 and 2013 2nd sp.s. c 19 s 7027 are each amended to read as follows:

The board is hereby empowered:

- (1) To reserve the right to issue bonds later on a parity with any bonds being issued;
- (2) To authorize the investing of moneys in the bond retirement fund and any reserve account therein;
- (3) To authorize the transfer of money from the University of Washington building account to the bond retirement fund when necessary to prevent a default in the payments required to be made out of such fund;
- (4) To create a reserve account or accounts in the bond retirement fund to secure the payment of the principal of and interest on any bonds;
- (5) To authorize the transfer to the University of Washington building account of any money on deposit in the bond retirement fund in excess of debt service for a period of three years from the date of such transfer on all outstanding bonds payable out of such fund. ((However, during the 2011-2013 fiscal biennium, the legislature may transfer to the University of Washington building account moneys that are in excess of the debt service due within one year of the date of transfer on all outstanding bonds payable out of the bond

retirement fund.)) However, during the 2013-2015 fiscal biennium, the legislature may transfer to the University of Washington building account moneys that are in excess of the debt service due within the 2013-2015 fiscal biennium from the date of such transfer on all outstanding bonds payable out of the bond retirement fund. However, during the 2015-2017 fiscal biennium, the legislature may transfer to the University of Washington building account moneys that are in excess of the debt service due within the 2015-2017 fiscal biennium from the date of such transfer on all outstanding bonds payable out of the bond retirement fund.

Sec. 7026. RCW 28B.15.310 and 2013 2nd sp.s. c 19 s 7028 are each amended to read as follows:

Within thirty-five days from the date of collection thereof, all building fees shall be paid and credited as follows: To the Washington State University bond retirement fund, one-half or such larger portion as may be necessary to prevent a default in the payments required to be made out of such bond retirement fund; and the remainder thereof to the Washington State University building account.

The sum so credited to the Washington State University building account shall be expended by the board of regents for buildings, equipment, or maintenance on the campus of Washington State University as may be deemed most advisable and for the best interests of the university, and for certificates of participation under chapter 39.94 RCW, except for any sums transferred as authorized by law. ((During the 2011-2013 biennium, sums credited to the Washington State University building account shall also be used for routine facility maintenance and utility costs.)) During the 2013-2015 biennium, sums credited to the Washington State University building account shall also be used for routine facility maintenance, utility costs, and facility condition assessments. During the 2015-2017 biennium, sums credited to the Washington State University building account shall also be used for routine facility maintenance, utility costs, and facility condition assessments. Expenditures so made shall be accounted for in accordance with existing law and shall not be expended until appropriated by the legislature.

The sum so credited to the Washington State University bond retirement fund shall be used to pay and secure the payment of the principal of and interest on building bonds issued by the university, except for any sums which may be transferred out of such fund as authorized by law.

Sec. 7027. RCW 28B.15.210 and 2013 2nd sp.s. c 19 s 7026 are each amended to read as follows:

Within thirty-five days from the date of collection thereof, all building fees at the University of Washington, including building fees to be charged students registering in the schools of medicine and dentistry, shall be paid into the state treasury and credited as follows:

One-half or such larger portion as may be necessary to prevent a default in the payments required to be made out of the bond retirement fund to the "University of Washington bond retirement fund" and the remainder thereof to the "University of Washington building account." The sum so credited to the University of Washington building account shall be used exclusively for the purpose of erecting, altering, maintaining, equipping, or furnishing buildings, and for certificates of participation under chapter 39.94 RCW, except for any

sums transferred as authorized in RCW 28B.20.725(3). The sum so credited to the University of Washington bond retirement fund shall be used for the payment of principal of and interest on bonds outstanding as provided by chapter 28B.20 RCW except for any sums transferred as authorized in RCW 28B.20.725(5). During the 2013-2015 biennium, sums credited to the University of Washington building account shall also be used for routine facility maintenance, utility costs, and facility condition assessments. During the 2015-2017 biennium, sums credited to the University of Washington building account shall also be used for routine facility maintenance, utility costs, and facility condition assessments.

Sec. 7028. RCW 28B.30.750 and 2013 2nd sp.s. c 19 s 7029 are each amended to read as follows:

The board is hereby empowered:

- (1) To reserve the right to issue bonds later on a parity with any bonds being issued;
- (2) To authorize the investing of moneys in the bond retirement fund and any reserve account therein;
- (3) To authorize the transfer of money from the Washington State University building account to the bond retirement fund when necessary to prevent a default in the payments required to be made out of such fund;
- (4) To create a reserve account or accounts in the bond retirement fund to secure the payment of the principal of and interest on any bonds;
- (5) To authorize the transfer to the Washington State University building account of any money on deposit in the bond retirement fund in excess of debt service for a period of three years from the date of such transfer on all outstanding bonds payable out of such fund. ((However, during the 2011-2013 fiscal biennium, the legislature may transfer to the Washington State University building account moneys that are in excess of the debt service due within one year of the date of transfer on all outstanding bonds payable out of the bond retirement fund.)) However, during the 2013-2015 fiscal biennium, the legislature may transfer to the Washington State University building account moneys that are in excess of the debt service due within the 2013-2015 fiscal biennium from the date of such transfer on all outstanding bonds payable out of the bond retirement fund. However, during the 2015-2017 fiscal biennium, the legislature may transfer to the Washington State University building account moneys that are in excess of the debt service due within the 2015-2017 fiscal biennium from the date of such transfer on all outstanding bonds payable out of the bond retirement fund.

Sec. 7029. RCW 28B.35.370 and 2013 2nd sp.s. c 19 s 7030 are each amended to read as follows:

Within thirty-five days from the date of collection thereof all building fees of each regional university and The Evergreen State College shall be paid into the state treasury and these together with such normal school fund revenues as provided in RCW 28B.35.751 as are received by the state treasury shall be credited as follows:

(1) On or before June 30th of each year the board of trustees of each regional university and The Evergreen State College, if issuing bonds payable out of its building fees and above described normal school fund revenues, shall certify to the state treasurer the amounts required in the ensuing twelve months

to pay and secure the payment of the principal of and interest on such bonds. The amounts so certified by each regional university and The Evergreen State College shall be a prior lien and charge against all building fees and above described normal school fund revenues of such institution. The state treasurer shall thereupon deposit the amounts so certified in the Eastern Washington University capital projects account, the Central Washington University capital projects account, the Western Washington University capital projects account, or The Evergreen State College capital projects account respectively, which accounts are hereby created in the state treasury. The amounts deposited in the respective capital projects accounts shall be used to pay and secure the payment of the principal of and interest on the building bonds issued by such regional universities and The Evergreen State College as authorized by law. If in any twelve month period it shall appear that the amount certified by any such board of trustees is insufficient to pay and secure the payment of the principal of and interest on the outstanding building and above described normal school fund revenue bonds of its institution, the state treasurer shall notify the board of trustees and such board shall adjust its certificate so that all requirements of moneys to pay and secure the payment of the principal of and interest on all such bonds then outstanding shall be fully met at all times.

- (2) All normal school fund revenue pursuant to RCW 28B.35.751 shall be deposited in the Eastern Washington University capital projects account, the Central Washington University capital projects account, the Western Washington University capital projects account, or The Evergreen State College capital projects account respectively, which accounts are hereby created in the state treasury. The sums deposited in the respective capital projects accounts shall be appropriated and expended to pay and secure the payment of the principal of and interest on bonds payable out of the building fees and normal school revenue and for the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances in relation thereto except for any sums transferred therefrom as authorized by law. ((During the 2011-2013 biennium, sums in the respective capital accounts shall also be used for routine facility maintenance and utility costs.)) However, during the 2013-2015 biennium, sums in the respective capital accounts shall also be used for routine facility maintenance, utility costs, and facility condition assessments. However, during the 2015-2017 biennium, sums in the respective capital accounts shall also be used for routine facility maintenance, utility costs, and facility condition assessments.
- (3) Funds available in the respective capital projects accounts may also be used for certificates of participation under chapter 39.94 RCW.
- **Sec. 7030.** RCW 28B.50.360 and 2013 2nd sp.s. c 19 s 7031 are each amended to read as follows:

Within thirty-five days from the date of start of each quarter all collected building fees of each such community and technical college shall be paid into the state treasury, and shall be credited as follows:

(1) On or before June 30th of each year the college board if issuing bonds payable out of building fees shall certify to the state treasurer the amounts required in the ensuing twelve-month period to pay and secure the payment of the principal of and interest on such bonds. The state treasurer shall thereupon

deposit the amounts so certified in the community and technical college capital projects account. Such amounts of the funds deposited in the community and technical college capital projects account as are necessary to pay and secure the payment of the principal of and interest on the building bonds issued by the college board as authorized by this chapter shall be devoted to that purpose. If in any twelve-month period it shall appear that the amount certified by the college board is insufficient to pay and secure the payment of the principal of and interest on the outstanding building bonds, the state treasurer shall notify the college board and such board shall adjust its certificate so that all requirements of moneys to pay and secure the payment of the principal and interest on all such bonds then outstanding shall be fully met at all times.

- (2) The community and technical college capital projects account is hereby created in the state treasury. The sums deposited in the capital projects account shall be appropriated and expended to pay and secure the payment of the principal of and interest on bonds payable out of the building fees and for the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets owned by the state board for community and technical colleges in the name of the state of Washington, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances in relation thereto, engineering and architectural services provided by the department of enterprise services, and for the payment of principal of and interest on any bonds issued for such purposes. ((During the 2011-2013 biennium, sums in the capital projects account shall also be used for routine facility maintenance and utility costs.)) However, during the 2013-2015 biennium, sums in the capital projects account shall also be used for routine facility maintenance and utility costs. However, during the 2015-2017 biennium, sums in the capital projects account shall also be used for routine facility maintenance and utility costs.
- (3) Funds available in the community and technical college capital projects account may also be used for certificates of participation under chapter 39.94 RCW

Sec. 7031. RCW 43.19.501 and 2011 1st sp.s. c 50 s 943 are each amended to read as follows:

The Thurston county capital facilities account is created in the state treasury. The account is subject to the appropriation and allotment procedures under chapter 43.88 RCW. Moneys in the account may be expended for capital projects in facilities owned and managed by the department in Thurston county. For the 2007-2009 biennium, moneys in the account may be used for predesign identified in section 1037, chapter 328, Laws of 2008. For the 2015-2017 biennium, moneys in the account may be used for studies related to real estate.

During the 2009-2011 and 2011-2013 fiscal biennia, the legislature may transfer from the Thurston county capital facilities account to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 7032. RCW 43.155.050 and 2013 2nd sp.s. c 4 s 983 are each amended to read as follows:

The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source. Money in the public works assistance account shall be used to make loans and to give financial guarantees to local governments for public works projects. Moneys in the account may also be appropriated to provide for state match requirements under federal law for projects and activities conducted and financed by the board under the drinking water assistance account. Not more than fifteen percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated for preconstruction loans, emergency loans, or loans for capital facility planning under this chapter; of this amount, not more than ten percent of the biennial capital budget appropriation may be expended for emergency loans and not more than one percent of the biennial capital budget appropriation may be expended for capital facility planning loans. During the ((2011-2013 and 2013-2015)) 2015-2017 fiscal biennium, the legislature may transfer from the public works assistance account to the general fund, the water pollution control revolving account, and the drinking water assistance account such amounts as reflect the excess fund balance of the account. ((During the 2011-2013 fiscal biennium, the legislature may appropriate moneys from the account for economic development, innovation, and export grants, including brownfields; main street improvement grants; and the loan program consolidation board.)) During the 2013-2015 fiscal biennium, the legislature may transfer from the public works assistance account to the education legacy trust account such amounts as specified by the legislature.

Sec. 7033. RCW 43.155.070 and 2013 2nd sp.s. c 19 s 7032 are each amended to read as follows:

- (1) To qualify for financial assistance under this chapter the board must determine that a local government meets all of the following conditions:
- (a) The city or county must be imposing a tax under chapter 82.46 RCW at a rate of at least one-quarter of one percent;
 - (b) The local government must have developed a capital facility plan; and
- (c) The local government must be using all local revenue sources which are reasonably available for funding public works, taking into consideration local employment and economic factors.
- (2) Except where necessary to address a public health need or substantial environmental degradation, a county, city, or town planning under RCW 36.70A.040 may not receive financial assistance under this chapter unless it has adopted a comprehensive plan, including a capital facilities plan element, and development regulations as required by RCW 36.70A.040. This subsection does not require any county, city, or town planning under RCW 36.70A.040 to adopt a comprehensive plan or development regulations before requesting or receiving financial assistance under this chapter if such request is made before the expiration of the time periods specified in RCW 36.70A.040. A county, city, or town planning under RCW 36.70A.040 that has not adopted a comprehensive plan and development regulations within the time periods specified in RCW 36.70A.040 may apply for and receive financial assistance under this chapter if the comprehensive plan and development regulations are adopted as required by RCW 36.70A.040 before executing a contractual agreement for financial assistance with the board.
- (3) In considering awarding financial assistance for public facilities to special districts requesting funding for a proposed facility located in a county,

city, or town planning under RCW 36.70A.040, the board must consider whether the county, city, or town planning under RCW 36.70A.040 in whose planning jurisdiction the proposed facility is located has adopted a comprehensive plan and development regulations as required by RCW 36.70A.040.

- (4) The board must develop a priority process for public works projects as provided in this section. The intent of the priority process is to maximize the value of public works projects accomplished with assistance under this chapter. The board must attempt to assure a geographical balance in assigning priorities to projects. The board must consider at least the following factors in assigning a priority to a project:
- (a) Whether the local government receiving assistance has experienced severe fiscal distress resulting from natural disaster or emergency public works needs:
- (b) Except as otherwise conditioned by RCW 43.155.110, whether the entity receiving assistance is a Puget Sound partner, as defined in RCW 90.71.010;
- (c) Whether the project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310;
- (d) Whether the project is critical in nature and would affect the health and safety of a great number of citizens;
- (e) Whether the applicant's permitting process has been certified as streamlined by the office of regulatory assistance;
- (f) 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;
- (g) The cost of the project compared to the size of the local government and amount of loan money available;
 - (h) The number of communities served by or funding the project;
- (i) Whether the project is located in an area of high unemployment, compared to the average state unemployment;
- (j) Whether the project is the acquisition, expansion, improvement, or renovation by a local government of a public water system that is in violation of health and safety standards, including the cost of extending existing service to such a system;
- (k) Except as otherwise conditioned by RCW 43.155.120, and effective one calendar year following the development of model evergreen community management plans and ordinances under RCW 35.105.050, whether the entity receiving assistance has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030;
- (l) The relative benefit of the project to the community, considering the present level of economic activity in the community and the existing local capacity to increase local economic activity in communities that have low economic growth; and
 - (m) Other criteria that the board considers advisable.
- (5) For the $((\frac{2013-2015}{2015}))$ $\underline{2015-2017}$ fiscal biennium, in place of the criteria, ranking, and submission processes for construction loan lists provided in subsections (4) and (7) of this section:
- (a) The board must develop a process for numerically ranking applications for construction loans submitted by local governments. The board must consider,

at a minimum and in any order, the following factors in assigning a numerical ranking to a project:

- (i) Whether the project is critical in nature and would affect the health and safety of many people;
 - (ii) The extent to which the project leverages nonstate funds;
 - (iii) The extent to which the project is ready to proceed to construction;
- (iv) Whether the project is located in an area of high unemployment, compared to the average state unemployment;
- (v) Whether the project promotes the sustainable use of resources and environmental quality;
 - (vi) Whether the project consolidates or regionalizes systems;
- (vii) Whether the project encourages economic development through mixeduse and mixed income development consistent with chapter 36.70A RCW;
- (viii) Whether the system is being wellmanaged in the present and for longterm sustainability;
 - (ix) Achieving equitable distribution of funds by geography and population;
- (x) The extent to which the project meets the following state policy objectives:
 - (A) Efficient use of state resources;
 - (B) Preservation and enhancement of health and safety;
 - (C) Abatement of pollution and protection of the environment;
- (D) Creation of new, family wage jobs, and avoidance of shifting existing jobs from one Washington state community to another;
 - (E) Fostering economic development consistent with chapter 36.70A RCW;
- (F) Efficiency in delivery of goods and services, public transit, and transportation;
- (G) Avoidance of additional costs to state and local governments that adversely impact local residents and small businesses; and
 - (H) Reduction of the overall cost of public infrastructure; and
- (xi) Other criteria that the board considers necessary to achieve the purposes of this chapter.
- (b) Before November 1, ((2014)) 2016, the board must develop and submit to the appropriate fiscal committees of the senate and house of representatives a ranked list of qualified public works projects which have been evaluated by the board and are recommended for funding by the legislature. The maximum amount of funding that the board may recommend for any jurisdiction is ten million dollars per biennium. For each project on the ranked list, as well as for eligible projects not recommended for funding, the board must document the numerical ranking that was assigned.
- (6) Existing debt or financial obligations of local governments may not be refinanced under this chapter. Each local government applicant must provide documentation of attempts to secure additional local or other sources of funding for each public works project for which financial assistance is sought under this chapter.
- (7) Before November 1st of each even-numbered year, the board must develop and submit to the appropriate fiscal committees of the senate and house of representatives a description of the loans made under RCW 43.155.065, 43.155.068, and subsection (10) of this section during the preceding fiscal year and a prioritized list of projects which are recommended for funding by the

legislature, including one copy to the staff of each of the committees. The list must include, but not be limited to, a description of each project and recommended financing, the terms and conditions of the loan or financial guarantee, the local government jurisdiction and unemployment rate, demonstration of the jurisdiction's critical need for the project and documentation of local funds being used to finance the public works project. The list must also include measures of fiscal capacity for each jurisdiction recommended for financial assistance, compared to authorized limits and state averages, including local government sales taxes; real estate excise taxes; property taxes; and charges for or taxes on sewerage, water, garbage, and other utilities.

- (8) The board may not sign contracts or otherwise financially obligate funds from the public works assistance account before the legislature has appropriated funds for a specific list of public works projects. The legislature may remove projects from the list recommended by the board. The legislature may not change the order of the priorities recommended for funding by the board.
- (9) Subsection (8) of this section does not apply to loans made under RCW 43.155.065, 43.155.068, and subsection (10) of this section.
- (10) Loans made for the purpose of capital facilities plans are exempted from subsection (8) of this section.
- (11) To qualify for loans or pledges for solid waste or recycling facilities under this chapter, a city or county must demonstrate that the solid waste or recycling facility is consistent with and necessary to implement the comprehensive solid waste management plan adopted by the city or county under chapter 70.95 RCW.
- (12) After January 1, 2010, any project designed to address the effects of storm water or wastewater on Puget Sound may be funded under this section only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.
- (13) During the ((2013-2015)) 2015-2017 fiscal biennium, for projects involving repair, replacement, or improvement of a wastewater treatment plant or other public works facility for which an investment grade efficiency audit is obtainable, the public works board must require as a contract condition that the project sponsor undertake an investment grade efficiency audit. The project sponsor may finance the costs of the audit as part of its public works assistance account program loan.
- (14)(a) ((For public works assistance account application rounds conducted during the 2013-2015 fiscal biennium, the board must implement policies and procedures designed to maximize local government use of federally funded drinking water and clean water state revolving funds operated by the state departments of health and ecology. The board, department of ecology, and department of health must jointly develop evaluation criteria and application procedures that will increase access of eligible drinking water and wastewater projects to the public works assistance account for short-term preconstruction financing and to the federally funded state revolving funds for construction financing. The procedures must also strengthen coordinated funding of preconstruction and construction projects.)) For public works assistance account application rounds conducted during the 2015-2017 fiscal biennium, the board must implement policies and procedures designed to maximize local government

use of federal funds to finance local infrastructure including, but not limited to drinking water and clean water state revolving funds operated by the state departments of health and ecology. Projects that are eligible for the drinking water and clean water state revolving funds may receive public works board preconstruction loans. Projects that are eligible for the drinking water and clean water state revolving funds are not eligible for public works board construction loans. For purposes of this subsection "eligible for drinking water and clean water state revolving funds" means:

- (i) Projects that have applied to the state revolving funds and are awaiting a funding decision;
- (ii) Projects that have been rejected for funding solely due to not meeting readiness requirements; and
- (iii) Projects that have not applied, but would likely be eligible if the project applied and met the project readiness requirements.
- (b) For all construction loan projects proposed to the legislature for funding during the ((2013-2015)) 2015-2017 fiscal biennium, the board must base interest rates on the average daily market interest rate for taxexempt municipal bonds as published in the bond buyer's index for the period from sixty to thirty days before the start of the application cycle. For projects with a repayment period between five and twenty years, the rate must be sixty percent of the market rate. For projects with a repayment period under five years, the rate must be thirty percent of the market rate. The board must also provide reduced interest rates, extended repayment periods, or forgivable principal loans for projects that meet financial hardship criteria as measured by the affordability index or similar standard measure of financial hardship.
- (((e) By December 1, 2013, the board must recommend to the appropriate committees of the legislature statutory language to make permanent these new criteria, procedures, and financing policies.))
- **Sec. 7034.** RCW 43.160.080 and 2010 1st sp.s. c 36 s 6011 are each amended to read as follows:

There shall be a fund in the state treasury known as the public facilities construction loan revolving account, which shall consist of all moneys collected under this chapter and any moneys appropriated to it by law. Disbursements from the revolving account shall 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 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.)) During the 2015-2017 biennium, sums in the public facilities construction loan revolving account may be used to continue and enhance the animal disease traceability project in section 3247, chapter 19, Laws of 2013 2nd sp. sess., administered by the department of agriculture. During the 2015-2017 biennium, sums in the public facilities construction loan revolving account may be used for the clean energy partnership project in section 1038, chapter 19, Laws of 2013 2nd sp. sess.

- **Sec. 7035.** RCW 70.105D.070 and 2013 2nd sp.s. c 19 s 7033 and 2013 2nd sp.s. c 4 s 992 are each reenacted and amended to read as follows:
- (1) The state toxics control account and the local toxics control account are hereby created in the state treasury.
- (2)(a) Moneys collected under RCW 82.21.030 must be deposited as follows: Fifty-six percent to the state toxics control account under subsection (3) of this section and forty-four percent to the local toxics control account under subsection (4) of this section. When the cumulative amount of deposits made to the state and local toxics control accounts under this section reaches the limit during a fiscal year as established in (b) of this subsection, the remainder of the moneys collected under RCW 82.21.030 during that fiscal year must be deposited into the environmental legacy stewardship account created in RCW 70.105D.170.
- (b) The limit on distributions of moneys collected under RCW 82.21.030 to the state and local toxics control accounts for the fiscal year beginning July 1, 2013, is one hundred forty million dollars.
- (c) In addition to the funds required under (a) of this subsection, the following moneys must be deposited into the state toxics control account: (i) The costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (ii) penalties collected or recovered under this chapter; and (iii) any other money appropriated or transferred to the account by the legislature.
- (3) Moneys in the state toxics control account must be used only to carry out the purposes of this chapter, including but not limited to the following activities:
- (a) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;
- (b) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;
 - (c) The hazardous waste clean-up program required under this chapter;
 - (d) State matching funds required under federal cleanup law;
- (e) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;
- (f) State government programs for the safe reduction, recycling, or disposal of paint and hazardous wastes from households, small businesses, and agriculture;
- (g) Oil and hazardous materials spill prevention, preparedness, training, and response activities;
 - (h) Water and environmental health protection and monitoring programs;
 - (i) Programs authorized under chapter 70.146 RCW;
 - (j) A public participation program;
- (k) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both: (i) A substantially more expeditious or enhanced cleanup than would otherwise occur; and (ii) the prevention or mitigation of unfair economic hardship;

- (l) Development and demonstration of alternative management technologies designed to carry out the hazardous waste management priorities of RCW 70.105.150;
- (m) State agriculture and health programs for the safe use, reduction, recycling, or disposal of pesticides;
- (n) Storm water pollution control projects and activities that protect or preserve existing remedial actions or prevent hazardous clean-up sites;
- (o) Funding requirements to maintain receipt of federal funds under the federal solid waste disposal act (42 U.S.C. Sec. 6901 et seq.);
- (p) Air quality programs and actions for reducing public exposure to toxic air pollution;
- (q) Public funding to assist prospective purchasers to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) if:
- (i) The facility is located within a redevelopment opportunity zone designated under RCW 70.105D.150;
- (ii) The amount and terms of the funding are established under a settlement agreement under RCW 70.105D.040(5); and
- (iii) The director has found the funding meets any additional criteria established in rule by the department, will achieve a substantially more expeditious or enhanced cleanup than would otherwise occur, and will provide a public benefit in addition to cleanup commensurate with the scope of the public funding;
- (r) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters;
- (s) Appropriations to the local toxics control account or the environmental legacy stewardship account created in RCW 70.105D.170, if the legislature determines that priorities for spending exceed available funds in those accounts;
- (t) During the 2013-2015 <u>and 2015-2017</u> fiscal ((biennium)) <u>biennia</u>, the department of ecology's water quality, shorelands, environmental assessment, administration, and air quality programs;
- (u) During the 2013-2015 fiscal biennium, actions at the state conservation commission to improve water quality for shellfish; ((and))
- (v) During the 2013-2015 fiscal biennium, actions at the University of Washington for reducing ocean acidification;
- (w) <u>During the 2015-2017 fiscal biennium</u>, for the <u>University of</u> Washington Tacoma soil remediation project;
- (x) For the 2013-2015 fiscal biennium, moneys in the state toxics control account may be spent on projects in section ((3159)) 3160, chapter 19, Laws of 2013 2nd sp. sess. and for transfer to the local toxics control account; and
- (((x))) (y) For the 2013-2015 fiscal biennium, moneys in the state toxics control account may be transferred to the radioactive mixed waste account.
- (4)(a) The department shall use moneys deposited in the local toxics control account for grants or loans to local governments for the following purposes in descending order of priority:
- (i) Extended grant agreements entered into under (((e)[(e)])) (e)(i) of this subsection;

- (ii) Remedial actions, including planning for adaptive reuse of properties as provided for under (((e)[(e)])) (e)(iv) of this subsection. The department must prioritize funding of remedial actions at:
- (A) Facilities on the department's hazardous sites list with a high hazard ranking for which there is an approved remedial action work plan or an equivalent document under federal cleanup law;
- (B) Brownfield properties within a redevelopment opportunity zone if the local government is a prospective purchaser of the property and there is a department-approved remedial action work plan or equivalent document under the federal cleanup law;
- (iii) Storm water pollution source projects that: (A) Work in conjunction with a remedial action; (B) protect completed remedial actions against recontamination; or (C) prevent hazardous clean-up sites;
 - (iv) Hazardous waste plans and programs under chapter 70.105 RCW;
- (v) Solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;
- (vi) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters; and
- (vii) Appropriations to the state toxics control account or the environmental legacy stewardship account created in RCW 70.105D.170, if the legislature determines that priorities for spending exceed available funds in those accounts.
- (b) Funds for plans and programs must be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW.
- (c) During the 2013-2015 fiscal biennium, the local toxics control account may also be used for local government storm water planning and implementation activities.
- (d) During the 2013-2015 fiscal biennium, the legislature may transfer from the local toxics control account to the state general fund, such amounts as reflect the excess fund balance in the account.
- (e) To expedite cleanups throughout the state, the department may use the following strategies when providing grants to local governments under this subsection:
- (i) Enter into an extended grant agreement with a local government conducting remedial actions at a facility where those actions extend over multiple biennia and the total eligible cost of those actions exceeds twenty million dollars. The agreement is subject to the following limitations:
- (A) The initial duration of such an agreement may not exceed ten years. The department may extend the duration of such an agreement upon finding substantial progress has been made on remedial actions at the facility;
- (B) Extended grant agreements may not exceed fifty percent of the total eligible remedial action costs at the facility; and
- (C) The department may not allocate future funding to an extended grant agreement unless the local government has demonstrated to the department that funds awarded under the agreement during the previous biennium have been substantially expended or contracts have been entered into to substantially expend the funds;

- (ii) Enter into a grant agreement with a local government conducting a remedial action that provides for periodic reimbursement of remedial action costs as they are incurred as established in the agreement;
- (iii) Enter into a grant agreement with a local government prior to it acquiring a property or obtaining necessary access to conduct remedial actions, provided the agreement is conditioned upon the local government acquiring the property or obtaining the access in accordance with a schedule specified in the agreement;
- (iv) Provide integrated planning grants to local governments to fund studies necessary to facilitate remedial actions at brownfield properties and adaptive reuse of properties following remediation. Eligible activities include, but are not limited to: Environmental site assessments; remedial investigations; health assessments; feasibility studies; site planning; community involvement; land use and regulatory analyses; building and infrastructure assessments; economic and fiscal analyses; and any environmental analyses under chapter 43.21C RCW;
- (v) Provide grants to local governments for remedial actions related to areawide groundwater contamination. To receive the funding, the local government does not need to be a potentially liable person or be required to seek reimbursement of grant funds from a potentially liable person;
- (vi) The director may alter grant matching requirements to create incentives for local governments to expedite cleanups when one of the following conditions exists:
- (A) Funding would prevent or mitigate unfair economic hardship imposed by the cleanup liability;
- (B) Funding would create new substantial economic development, public recreational opportunities, or habitat restoration opportunities that would not otherwise occur; or
- (C) Funding would create an opportunity for acquisition and redevelopment of brownfield property under RCW 70.105D.040(5) that would not otherwise occur:
- (vii) When pending grant applications under (((e)[(e)])) (e)(iv) and (v) of this subsection (4) exceed the amount of funds available, designated redevelopment opportunity zones must receive priority for distribution of available funds.
- (((d) [(f)])) (f) To expedite multiparty clean-up efforts, the department may purchase remedial action cost-cap insurance. For the 2013-2015 fiscal biennium, moneys in the local toxics control account may be spent on projects in sections 3024, 3035, 3036, and 3059, chapter 19, Laws of 2013 2nd sp. sess.
- (5) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.
- (6) No moneys deposited into either the state or local toxics control account may be used for: Natural disasters where there is no hazardous substance contamination; high performance buildings; solid waste incinerator facility feasibility studies, construction, maintenance, or operation; or after January 1, 2010, for projects designed to address the restoration of Puget Sound, funded in a competitive grant process, that are in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310. However, this subsection does not prevent an appropriation from the state toxics control account to the

department of revenue to enforce compliance with the hazardous substance tax imposed in chapter 82.21 RCW.

- (7) Except during the 2011-2013 fiscal biennium, one percent of the moneys collected under RCW 82.21.030 shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation that are not expended at the close of any biennium revert to the state toxics control account.
- (8) The department shall adopt rules for grant or loan issuance and performance. To accelerate both remedial action and economic recovery, the department may expedite the adoption of rules necessary to implement chapter 1, Laws of 2013 2nd sp. sess. using the expedited procedures in RCW 34.05.353. The department shall initiate the award of financial assistance by August 1, 2013. To ensure the adoption of rules will not delay financial assistance, the department may administer the award of financial assistance through interpretive guidance pending the adoption of rules through July 1, 2014.
- (9) Except as provided under subsection (3)(k) and (q) of this section, nothing in chapter 1, Laws of 2013 2nd sp. sess. ((effects [affects])) affects the ability of a potentially liable person to receive public funding.
- (10) During the ((2013-2015)) <u>2015-2017</u> fiscal biennium the local toxics control account may also be used for the centennial clean water program ((and for storm water grants)) and for the storm water financial assistance program administered by the department of ecology.
- <u>NEW SECTION.</u> **Sec. 7036.** (1) Funds appropriated in this act for minor works may not be allotted until final project lists are submitted to the office of financial management. Revisions to the project lists are allowed for projects not anticipated at the time of budget development but must be submitted to the office of financial management, the house of representatives capital budget committee, and the senate ways and means committee for review and comment and must include an explanation of variances from the prior lists before funds may be expended on the revisions. Any project list revisions must be approved by the office of financial management before funds may be expended from the minor works appropriation.
- (2)(a) Minor works project lists are single line appropriations that include multiple projects of a similar nature and that are valued between \$25,000 and \$1,000,000 each, with the exception of higher education minor works projects that may be valued up to \$2,000,000. All projects must meet the criteria included in this subsection (2)(a) with the exception of minor works appropriations for the department of fish and wildlife for the 2015-2017 biennium. These projects should be completed within two years of the appropriation with the funding provided. Agencies are prohibited from including projects on their minor works lists that are a phase of a larger project, and that if combined over a continuous period of time, would exceed \$1,000,000, or \$2,000,000 for higher education minor works projects. Improvements for accessibility in compliance with the

Americans with disabilities act may be included in any of the minor works categories.

- (b) Minor works appropriations may not be used for the following: Studies, except for technical or engineering reviews or designs that lead directly to and support a project on the same minor works list; planning; design outside the scope of work on a minor works list; moveable, temporary, and traditionally funded operating equipment not in compliance with the equipment criteria established by the office of financial management; software not dedicated to control of a specialized system; moving expenses; land or facility acquisition; rolling stock; computers; or to supplement funding for projects with funding shortfalls unless expressly authorized. The office of financial management may make an exception to the limitations described in this subsection (2)(b) for exigent circumstances after notifying the legislative fiscal committees and waiting ten days for comments by the legislature regarding the proposed exception.
- (c) Minor works preservation projects may include program improvements of no more than twenty-five percent of the individual minor works preservation project cost.

<u>NEW SECTION.</u> Sec. 7037. FOR THE STATE TREASURER—TRANSFERS

Public works assistance account—state: For transfer

<u>NEW SECTION.</u> Sec. 7038. STATE TREASURER TRANSFER AUTHORITY

- (1) As directed by the department of ecology in consultation with the office of financial management, the state treasurer shall transfer amounts among the state toxics control account, the local toxics control account, and the environmental legacy stewardship account as needed during the 2015-2017 fiscal biennium to maintain positive account balances in all three accounts.
- (2) As directed by the department of ecology in consultation with the office of financial management, the state treasurer shall transfer amounts from the cleanup settlement account established in RCW 70.105D.130 to the state toxics control account, the local toxics control account or the environmental legacy stewardship account to maintain positive account balances up to an amount not to exceed \$13,000,000 that must be considered an inter fund loan that must be repaid with interest to the cleanup settlement account in three equal repayments in fiscal years 2018, 2019, and 2020.

(3) If, after using the inter-fund transfer authority granted in this section, the department of ecology determines that further reductions are needed to maintain positive account balances in the state toxics control account, the local toxics control account, and the environmental legacy stewardship account, the department is authorized to delay the start of clean-up projects based on acuity of need, readiness to proceed, cost-efficiency, or need to ensure geographic distribution. If the department uses this authority, the department must submit a prioritized list of projects that may be delayed to the office of financial management and the appropriate fiscal committees of the legislature.

<u>NEW SECTION.</u> **Sec. 7039.** To the extent that any appropriation authorizes expenditures of state funds from the state building construction account, or from any other capital project account in the state treasury, for a capital project or program that is specified to be funded with proceeds from the sale of bonds, the legislature declares that any such expenditures for that project or program made prior to the issue date of the applicable bonds are intended to be reimbursed from proceeds of those bonds in a maximum amount equal to the amount of such appropriation.

NEW SECTION. Sec. 7040. Fiscal or related staff from the office of financial management shall form a four-year prioritized capital project list technical work group with staff from the office of program research, senate committee services, four-year institutions of higher education receiving appropriations in this act, and the council of presidents. The work group shall examine and determine key elements, data sources, process improvement, data needs by project category types, scoring and weighting alternatives, and how to better align to the process for budget decisions. The work group shall report options and alternatives to the appropriate legislative committees by December 15, 2015.

Sec. 7041. RCW 43.131.413 and 2010 c 245 s 12 are each amended to read as follows:

The alternative process for awarding contracts established in RCW 28B.20.744 terminates June 30, ((2015)) 2017, as provided in RCW 43.131.414.

Sec. 7042. RCW 43.131.414 and 2010 c 245 s 13 are each amended to read as follows:

RCW 28B.20.744, as now existing or hereafter amended, is repealed, effective June 30, ((2016)) 2018.

Sec. 7043. RCW 28B.20.744 and 2010 c 245 s 11 are each amended to read as follows:

- (1) This section provides an alternative process for awarding contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of university buildings and facilities in which critical patient care or highly specialized medical research is located. These provisions may be used, in lieu of other procedures to award contracts for such work, when the estimated cost of the work is equal to or less than five million dollars and the project involves construction, renovation, remodeling, or alteration of improvements within a building that is used directly for critical patient care or highly specialized medical research.
- (2) The university may create a single critical patient care or specialized medical research facilities roster or may create multiple critical patient care or

specialized medical research facilities rosters for different trade specialties or categories of anticipated work. At least once a year, the university shall publish in a newspaper of general circulation a notice of the existence of the roster or rosters and solicit a statement of qualifications from contractors who wish to be on the roster or rosters of prime contractors. In addition, qualified contractors shall be added to the roster or rosters at any time they submit a written request, necessary records, and meet the qualifications established by the university. The university may require eligible contractors desiring to be placed on a roster to keep current records of any applicable licenses, certifications, registrations, bonding, insurance, or other appropriate matters on file with the university as a condition of being placed on a roster or rosters. Placement on a roster shall be on the basis of qualifications.

- (3) The public solicitation of qualifications shall include but not be limited to:
- (a) A description of the types of projects to be completed and where possible may include programmatic, performance, and technical requirements and specifications;
- (b) The reasons for using the critical patient care and specialized medical research roster process;
- (c) A description of the qualifications to be required of a contractor, including submission of an accident prevention program;
- (d) A description of the process the university will use to evaluate qualifications, including evaluation factors and the relative weight of factors;
 - (e) The form of the contract to be awarded:
- (f) A description of the administrative process by which the required qualifications, evaluation process, and project types may be appealed; and
- (g) A description of the administrative process by which decisions of the university may be appealed.
- (4) The university shall establish a committee to evaluate the contractors submitting qualifications. Evaluation criteria for selection of the contractor or contractors to be included on a roster shall include, but not be limited to:
 - (a) Ability of a contractor's professional personnel;
- (b) A contractor's past performance on similar projects, including but not limited to medical facilities, and involving either negotiated work or other public works contracts:
 - (c) The contractor's ability to meet time and budget requirements;
- (d) The contractor's ability to provide preconstruction services, as appropriate;
 - (e) The contractor's capacity to successfully complete the project;
 - (f) The contractor's approach to executing projects;
- (g) The contractor's approach to safety and the contractor's safety history; and
 - (h) The contractor's record of performance, integrity, judgment, and skills.
- (5) Contractors meeting the evaluation committee's criteria for selection must be placed on the applicable roster or rosters.
- (6) When a project is selected for delivery through this roster process, the university must establish a procedure for securing written quotations from all contractors on a roster to assure that a competitive price is established. Invitations for quotations shall include an estimate of the scope and nature of the

work to be performed as well as materials and equipment to be furnished. Plans and specifications must be included in the invitation but may not be detailed. Award of a project must be made to the responsible bidder submitting the lowest responsive bid.

- (7) The university shall make an effort to solicit proposals from certified minority or certified woman-owned contractors to the extent permitted by the Washington state civil rights act, RCW 49.60.400.
- (8) Beginning in September 2010 and every other ((year)) <u>September</u> thereafter, the university shall provide a report to the capital projects advisory review board which must, at a minimum, include a list of rosters used, contracts awarded, and a description of outreach to and participation by women and minority-owned businesses.
- (9) Beginning in September 2015 and every September thereafter, the university shall report to the office of minority and women's business enterprises and to the appropriate legislative fiscal committees the number of qualified women and minority-owned business contractors on the roster or rosters and the number of contracts awarded to women and minority-owned businesses.
- *NEW SECTION. Sec. 7044. (1) The office of financial management shall develop a master plan for museums and research facilities to address the statewide need for providing storage, research, and display space for collections of art and artifacts, archaeological research materials, DNA tissue samples, tribal artifacts, and other related items of an historical nature.
- (2) The office of financial management shall identify the following: (a) Types of space needed to store, research, and display items and collections depending on types of items; (b) an inventory of existing spaces that the state may utilize to fill storage, research, and display needs; (c) recommendations regarding the highest and best use of the capital museum in Olympia; (d) collections and other state assets that may be divested or transferred to more appropriate entities for storage, research, and display; (e) database systems used or needed to inventory collections of items of an historical nature and the ability to display those collections on the internet; and (f) other items related to the storage, research, and display of collections of an historical nature.
- (3) The office of the financial management or its contractor must consult with the following agencies in developing the statewide master plan for museums and research centers: (a) The Washington state historical society; (b) state parks and recreation; (c) the burke museum; (d) the eastern Washington state historical society; and (e) other entities as necessary.
- (4) The office of financial management must present the statewide museum master plan to the appropriate committees of the legislature by December 31, 2015.

Sec. 7044 was vetoed. See message at end of chapter.

<u>NEW SECTION.</u> **Sec. 7045.** 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.

Passed by the House June 30, 2015.

Passed by the Senate June 30, 2015.

Approved by the Governor June 30, 2015, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State July 1, 2015.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 3241 and 7044, Second Engrossed House Bill No. 1115 entitled:

"AN ACT Relating to the capital budget."

Section 3241, pages 158-159, Department of Natural Resources, Research on Transfer for Federal Lands to Washington State

This proviso directs the Department of Natural Resources to study the feasibility of acquiring certain federal lands for possible inclusion in the various trust lands managed by the Department. Although additional information about land acquisitions is always helpful, the negative effects of forest health, and the resulting fire danger, are well documented. The Department's primary responsibility is to support the trust beneficiaries, and this study will not support its obligation to generate revenue for school construction. For these reasons, I have vetoed Section 3241.

Section 7044, pages 278-279, Office of Financial Management, Master Plan for Museums and Research Facilities

This proviso requires the Office of Financial Management (OFM) to develop a master plan to address the storage and preservation requirements of the state's historical collections by December 31, 2015. While ensuring the preservation of our state's historical and cultural collections is a priority, this proviso does not provide funding or enough time for a thorough plan to be developed. For these reasons, I have vetoed Section 7044. However, I have directed OFM to work with the Washington State Historical Society and the Eastern Washington Historical Society to address this issue.

For these reasons I have vetoed Sections 3241 and 7044 of Second Engrossed House Bill No. 1115.

With the exception of Sections 3241 and 7044, Second Engrossed House Bill No. 1115 is approved."

CHAPTER 4

[Engrossed Substitute Senate Bill 6052] OPERATING BUDGET

AN ACT Relating to fiscal matters; amending RCW 28B.15.069, 28B.50.140, 28B.115.070, 28C.04.535, 38.52.540, 41.26.802, 41.60.050, 43.08.190, 43.09.475, 43.43.839, 43.79.480, 43.101.200, 43.101.220, 43.155.050, 43.320.110, 43.325.040, 43.330.250, 43.350.070, 46.66.080, 61.24.172, 66.08.170, 69.50.540, 70.96A.350, 74.13.621, 77.12.203, 82.08.160, 82.08.170, 83.100.230, 86.26.007, 88.02.650, and 86.26.007; amending 2014 c 221 ss 924, 925, 101, 102, 105, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 122, 125, 126, 127, 129, 130, 134, 135, 136, 140, 141, 143, 146, 148, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 216, 217, 218, 219, 220, 221, 222, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 401, 402, 501, 502, 503, 504, 505, 506, 507, 508, 509, 511, 512, 513, 514, 515, 604, 605, 606, 607, 608, 609, 610, 611, 612, 614, 615, 616, 617, 619, 701, 704, 706, 708, 709, 710, 711, 801, 802, 803, 804, and 805 (uncodified); amending 2013 2nd sp.s. c 4 ss 712 and 718 (uncodified); reenacting and amending RCW 41.50.110 and 70.105D.070; adding new sections to 2015 1st sp.s. c 10 (uncodified); creating new sections; repealing 2015 1st sp. sess. c 10 s 501 (uncodified); repealing 2014 c 221 s 707 (uncodified); making appropriations; providing an effective date; providing expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) A budget is hereby adopted and, subject to the provisions set forth in the following sections, the several amounts specified in parts I through IX of this act, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for salaries, wages, and other expenses of the agencies and offices of the state and for other specified purposes for the fiscal biennium beginning July 1, 2015, and ending June 30, 2017, except as otherwise provided, out of the several funds of the state hereinafter named.

- (2) Unless the context clearly requires otherwise, the definitions in this section apply throughout this act.
- (a) "Fiscal year 2016" or "FY 2016" means the fiscal year ending June 30, 2016.
- (b) "Fiscal year 2017" or "FY 2017" means the fiscal year ending June 30, 2017.
 - (c) "FTE" means full time equivalent.
- (d) "Lapse" or "revert" means the amount shall return to an unappropriated status.
- (e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose which is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.

PART I GENERAL GOVERNMENT

NEW	SECTION.	Sec.	101.	FOR	THE	HOUSE	OF
REPRESEN							
General Fun	d—State Appr	opriatio	n (FY 20	16)		\$33,485	5,000
General Fun	d—State Appr	opriatio	n (FY 20	017)		\$34,953	3,000
Motor Vehic	le Account—S	state Ap	propriati	on		\$1,918	3,000
	TAL APPROP						

The appropriations in this section are subject to the following conditions and limitations: The joint select task force on nuclear energy created in chapter 221, Laws of 2014 is extended until December 1, 2017.

NEW SECTION. Sec. 102. FOR THE SENATE General Fund—State Appropriation (FY 2016). \$22,997,000 General Fund—State Appropriation (FY 2017). \$25,771,000 Motor Vehicle Account—State Appropriation. \$1,748,000 TOTAL APPROPRIATION. \$50,516,000

The appropriations in this section are subject to the following conditions and limitations: The joint select task force on nuclear energy created in chapter 221, Laws of 2014 is extended until December 1, 2017.

<u>NEW SECTION.</u> Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

Performance Audits of Government—State Appropriation \$6,711,000

The appropriation in this section is 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 2015-2017 work plan as necessary to efficiently manage workload.
- (2) The committee shall analyze the forest fire protection assessment established in chapter 76.04 RCW. The analysis shall include:
- (a) The process the department of natural resources uses to determine the assessments;
- (b) The statutory framework for assessing based on parcels and being considered forest land;
- (c) The cost efficiency of the administrative processes to collect assessments and issue refunds;
- (d) The rates of the assessment for forest fire protection, including the costs of county assessor participation;
- (e) The historical relationship between the rates and protection expenditures or anticipated expenditures and eventual suppression expenditures;
 - (f) How other states assess for protection or suppression;
- (g) Parcels assessed as forest lands that have become developed properties and are not covered, serviced, or taxed by a fire protection district.

A report on the results of the analysis with any findings and recommendations shall be submitted to the appropriate committees of the legislature by December 2016.

NEW SECTION. Sec. 104. FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE Performance Audits of Government—State Appropriation \$3,658,000 FOR THE JOINT LEGISLATIVE NEW SECTION. Sec. 105. **SYSTEMS COMMITTEE** NEW SECTION. Sec. 106. FOR THE OFFICE OF THE STATE **ACTUARY** State Health Care Authority Administrative Account—State Department of Retirement Systems Expense NEW SECTION. Sec. 107. FOR THE STATUTE LAW COMMITTEE General Fund—State Appropriation (FY 2016).....\$4,160,000 General Fund—State Appropriation (FY 2017).....\$4,709,000

NEW SECTION. Sec. 108. FOR THE OFFICE OF LEGISLATIVE
SUPPORT SERVICES
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017)
TOTAL APPROPRIATION
NEW SECTION. Sec. 109. LEGISLATIVE AGENCIES
In order to achieve operating efficiencies within the financial resources
available to the legislative branch, the executive rules committee of the house of
representatives and the facilities and operations committee of the senate by joint
action may transfer funds among the house of representatives, senate, joint
legislative audit and review committee, legislative evaluation and accountability
program committee, joint transportation committee, office of the state actuary,
joint legislative systems committee, statute law committee, and office of
legislative support services.
NEW SECTION. Sec. 110. FOR THE SUPREME COURT
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017) \$7,594,000 TOTAL APPROPRIATION \$15,085,000
NEW SECTION. Sec. 111. FOR THE LAW LIBRARY
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017)
TOTAL APPROPRIATION \$3,147,000
NEW SECTION. Sec. 112. FOR THE COMMISSION ON JUDICIAL
CONDUCT
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017) \$1,076,000 TOTAL APPROPRIATION \$2,210,000
NEW SECTION. Sec. 113. FOR THE COURT OF APPEALS
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017) \$17,292,000 TOTAL APPROPRIATION \$34,158,000
$\underline{\text{NEW SECTION}}$. Sec. 114. FOR THE ADMINISTRATOR FOR THE COURTS
General Fund—State Appropriation (FY 2016)
General Fund—Federal Appropriation
General Fund—Private/Local Appropriation
Judicial Information Systems Account—State
Appropriation
Judicial Stabilization Trust Account—State
Appropriation
TOTAL APPROPRIATION\$178,222,000
The appropriations in this section are subject to the following conditions and limitations:

(1) \$878,000 of the general fund—state appropriation for fiscal year 2016, \$878,000 of the general fund—state appropriation for fiscal year 2017, and

\$6,784,000 of the judicial information systems account—state appropriation are provided solely for the information network hub project.

- (2) \$516,000 of the judicial information systems account—state appropriation is provided solely for replacement of computer equipment, including servers, routers, and storage system upgrades.
- (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.
- (4) \$1,849,000 of the judicial information systems account—state appropriation is provided solely for replacing computer equipment at state courts and state judicial agencies.
- (5) \$1,399,000 of the general fund—state appropriation for fiscal year 2016 and \$1,399,000 of the general fund—state appropriation for fiscal year 2017 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.
- (6)(a) \$7,313,000 of the general fund—state appropriation for fiscal year 2016 and \$7,313,000 of the general fund—state appropriation for fiscal year 2017 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 2015-2017 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.
- (7) \$313,000 of the judicial information systems account—state appropriation is provided solely for the content management system for the appellate courts.
- (8) \$200,000 of the general fund—state appropriation for fiscal year 2016 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 who were receiving services on July 10, 2013.

- (9) \$118,000 of the judicial information systems account—state appropriation for fiscal year 2016 is provided solely for implementation of chapter 287, Laws of 2015 (Engrossed House Bill No. 1943).
- (10) \$75,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for the planning and design of a dependency court improvement demonstration program. The plan must be developed jointly with the one family one team public private partnership, with a private cash match of \$75,000. If the cash match is not available by August 1, 2015, the administrative office of the courts will not be required to complete the planning and design of a dependency court improvement demonstration program. By January 1, 2016, the public private partnership shall provide to the appropriate committees of the legislature the program design, including ongoing administrative funding, and a statement of the public and private funding required in order to provide demonstration grants to up to four counties.
- (11) \$6,080,000 of the judicial information systems account—state appropriation for fiscal year 2016 is provided solely for continued implementation of the superior court case management system project.
- (12) \$6,518,000 of the judicial information systems account—state appropriation for fiscal year 2017 is provided solely for continued implementation of the superior court case management system. The steering committee for the superior court case management system, the office of administrator of the courts, and county clerks shall work with the case management system vendor to develop cost estimates for modifications to the superior court case management system to address security and document management concerns raised by county clerks. If the cost estimates are not provided to the fiscal committees of the legislature by January 1, 2016, the amounts provided in this subsection shall lapse. Furthermore, the amounts provided in this subsection shall lapse if the superior court case management system is not live and fully functional in Franklin, Thurston, and Yakima counties by February 1, 2016.
- (13) The existing steering committee for the superior court case management system shall continue oversight responsibilities throughout the various phases of the project to include, but not be 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.
- (14) The courts of limited jurisdiction case management system (CLJ-CMS) replacement project shall be guided by a project steering committee to provide project oversight throughout the various phases of the project to include, but not be 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. The project steering committee shall be comprised of three members from the administrative office of the courts, two members from the district and municipal court judges association, three members from the district and municipal court management association, and two members from the misdemeanant corrections association. 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 project steering committee members cannot reach a decision, the issue must be escalated to the judicial information systems committee for consideration. The courts of limited jurisdiction case management system replacement project steering committee may solicit input from user groups as deemed appropriate.

- (15) \$3,789,000 of the judicial information systems account—state appropriation is provided solely for preparation and procurement activities related to the courts of limited jurisdiction case management system (CLJ-CMS) replacement project. The appropriations are further conditioned that the CLJ-CMS replacement project be funded entirely from judicial information system account funds in future biennia. The amounts provided in this subsection for the CLJ-CMS replacement project shall not be expended prior to January 1, 2016. In addition, if the following activities are not complete by the dates provided, no further funds appropriated in this subsection shall be expended on the CLJ-CMS replacement project.
- (a) Beginning April 1, 2016, and each calendar quarter thereafter, quality assurance reports for the CLJ-CMS replacement project shall be provided to the office of chief information officer for review and for posting on its information technology project dashboard.
- (b) No later than July 1, 2016, the CLJ-CMS replacement project steering committee shall provide a report to the legislature on the status of the procurement process for a CLJ-CMS replacement project, including an affirmation that the project is designed to meet the business processes and requirements of all thirty-nine counties. In addition, the report shall include a statement from each court of limited jurisdiction of its intended use of the new CLJ-CMS.
- (c) No later than January 1, 2017, the judicial information system committee must approve the publication of a request for proposal for the CLJ-CMS replacement project.
- (d) Prior to any CLJ-CMS replacement project steering committee recommendation to the judicial information system committee of a preferred vendor and prior to the selection of an apparently successful vendor, the office of chief information officer must be allowed to review vendor submittals in response to the request for proposal. To better inform its selection, the office of chief information officer must provide to the CLJ-CMS replacement project steering committee an evaluation each vendor's proposed technology solution assessing its architecture, security, vendor experience and qualifications, project risks and risk management, and whether the technology solution represents the best value.

$\underline{\text{NEW}}$ SECTION. Sec. 115. FOR THE OFFICE OF PUBLIC DEFENSE

General Fund—State Appropriation (FY 2016).....\$37,096,000

General Fund—State Appropriation (FY 2017) \$37,364,000

Judicial Stabilization Trust Account—State

Appropriation \$3,648,000

TOTAL APPROPRIATION \$78,108,000

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) \$924,000 of the general fund—state appropriation for fiscal year 2016 and \$462,000 of the general fund—state appropriation for fiscal year 2017 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.
- (3) \$451,000 of the general fund—state appropriation for fiscal year 2016 and \$915,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to increase payments for attorneys who contract with the office for indigent defense representation.
- (4) \$900,000 of the general fund—state appropriation for fiscal year 2016 and \$900,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the purpose of improving the quality of trial court public defense services.
- (5) \$245,000 of the general fund—state appropriation for fiscal year 2016 and \$320,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to implement chapter 117, Laws of 2015 (Second Substitute Senate Bill No. 5486). Funds must be used to maintain the current programs in Grays Harbor/Pacific, King, Kitsap, Pierce, Snohomish, Spokane, and Thurston/Mason counties; expand services in three of these locations; provide for program administration; and to fund the first stage of an evaluation of the program to determine if the parents for parents program can be considered evidence-based.

$\underline{\text{NEW SECTION.}}$ Sec. 116. FOR THE OFFICE OF CIVIL LEGAL AID

General Fund—State Appropriation (FY 2016)	\$12,560,000
General Fund—State Appropriation (FY 2017)	\$12,818,000
General Fund—Private/Local Appropriation	
Judicial Stabilization Trust Account—State	
Appropriation	. \$1,463,000
TOTAL APPROPRIATION	\$26,991,000

- (1) An amount not to exceed \$40,000 of the general fund—state appropriation for fiscal year 2016 and an amount not to exceed \$40,000 of the general fund—state appropriation for fiscal year 2017 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) \$498,000 of the general fund—state appropriation for fiscal year 2016 and \$499,000 of the general fund—state appropriation for fiscal year 2017 are

provided solely for the child legal representation program. To achieve efficiencies and to manage within appropriated amounts, beginning January 1, 2016, the office is directed to implement the child legal representation program for children under RCW 13.34.100 using attorneys under contract directly with the office in a manner similar to the parents representation program at the office of public defense. The office must consult with counties, county courts, and the office of public defense prior to implementing this operational change.

NEW SECTION. Sec. 117. FOR THE OFFICE OF THE GOV	ERNOR
General Fund—State Appropriation (FY 2016)	5,365,000
General Fund—State Appropriation (FY 2017)\$	5,448,000
Economic Development Strategic Reserve Account—State	
Appropriation	4,000,000
TOTAL APPROPRIATION	4,813,000

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 2016 and \$684,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the office of the education ombuds.

NEW SECTION. Sec. 118. FOR THE LIEUTENANT GOV	/ERNOR
General Fund—State Appropriation (FY 2016)	\$633,000
General Fund—State Appropriation (FY 2017)	\$637,000
General Fund—Private/Local Appropriation	\$90,000
TOTAL APPROPRIATION	. \$1,360,000

General Fund—State Appropriation (FY 2017) \$2,379,000 TOTAL APPROPRIATION \$4,747,000

	,,
General Fund—State Appropriation (FY 2017)	\$12,796,000
General Fund—Federal Appropriation	. \$7,577,000
Public Records Efficiency, Preservation, and Access	
	00 506 000

Appropriation. \$9,086,000 Election Account—Federal Appropriation. \$8,865,000

Washington State Heritage Center Account—State

Appropriation. \$9,825,000 TOTAL APPROPRIATION \$83,286,000

- (1) \$3,301,000 of the general fund—state appropriation for fiscal year 2016 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) \$2,682,000 of the general fund—state appropriation for fiscal year 2016 and \$2,761,000 of the general fund—state appropriation for fiscal year 2017 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 2015-2017 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) \$11,497,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for the 2016 presidential primary election.
- (5) \$3,000,000 of the Washington state heritage center account—state appropriation is provided solely for state library programs. If House Bill No. 2195 (auditor's fees) is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse. If the increase in auditor's fees generates less revenue than provided in this subsection, the secretary of state shall reduce expenditures so that amounts provided in this subsection do not exceed revenue generated from the increase in auditor's fees.

(6) \$771,000 of the general fund—state appropriation for fiscal year 2016 and \$772,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the state library to purchase statewide online access to the information technology academy to allow public access to online courses and learning resources through public libraries.

${ m NEW~SECTION.}$ Sec. 121. FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund—State Appropriation (FY 2016)	\$264,000
General Fund—State Appropriation (FY 2017)	\$273,000
TOTAL APPROPRIATION	

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.

<u>NEW SECTION.</u> Sec. 122. FOR THE COMMISSION ON ASIAN PACIFIC AMERICAN AFFAIRS

General Fund—State Appropriation (FY 2016)	\$222,000
General Fund—State Appropriation (FY 2017)	\$228,000
TOTAL APPROPRIATION	\$450,000

NEW SECTION. Sec. 123. FOR THE STATE TREASURER

State Treasurer's Service Account—State

The appropriation in this section is subject to the following conditions and limitations: \$125,000 of the state treasurer's service account—state appropriation is provided solely for the implementation of Second Substitute House Bill No. 2063 (better life experience program). If the bill is not enacted by July 10, 2015, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 124. FOR THE STATE AUDITOR

General Fund—State Appropriation (FY 2016)	\$14,000
General Fund—State Appropriation (FY 2017)	\$31,000
State Auditing Services Revolving Account—State	
Appropriation	\$9,711,000
Performance Audit of Government Account—State	
Appropriation	\$1,531,000
TOTAL APPROPRIATION	\$11,287,000

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

(1) \$1,531,000 of the performance audit of government account—state appropriation is provided solely for staff and related costs to verify the accuracy of reported school district data submitted for state funding purposes; conduct school district program audits of state funded public school programs; establish

the specific amount of state funding adjustments whenever audit exceptions occur and the amount is not firmly established in the course of regular public school audits; and to assist the state special education safety net committee when requested.

- (2) The legislature recognizes that changing technology has resulted in requests for electronic copies of records without corresponding changes in how the public records act allows for agencies to charge for those copies. The legislature recognizes the difficulty individual agencies face in determining the actual cost of providing both paper and electronic copies and finds it would be beneficial to agencies subject to the public records act, as well as requestors, to develop a standard and reasonable cost agencies may charge to provide records in either paper or electronic format. The state auditor shall, in consultation with the state chief information officer and attorney general, develop a methodology and conduct a study to establish an accurate cost estimate for providing paper and electronic copies of records in response to requests under the public records act. The state auditor shall also consult with local government agencies in developing and conducting the study. The state auditor shall report the results of this study to the legislature no later than March 1, 2016.
- (3) Within the amounts appropriated in this section, the auditor shall conduct an audit by June 30, 2017:
- (a) Of the Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) medical school located in Spokane to determine the cost per student of medical education and to show the cost per student by fund source;
- (b) To determine the cost per student for students from WWAMI partner states other than Washington and whether any Washington state funds or Washington resident student tuition is used to subsidize students from WWAMI partner states; and
- (c) To determine the planned per student cost of medical education and to show the cost per student by fund source for the Washington State University medical school program.
- (4) Some local governments have combined fees for commercial solid waste collection services with fees for the collection of source-separated recyclable materials from commercial entities, establishing a single bundled rate charged to all ratepayers that purports to provide free recycling collection services to commercial entities. The state auditor is directed to:
- (a) Investigate whether such bundled rates result in the imposition of the solid waste collection tax on services related to material collected primarily for recycling and salvage in violation of RCW 82.18.010(3);
- (b) Assess (i) whether the bundled rates result in payment of fees by ratepayers for services that they may not receive or need, and (ii) the amount of such excess payments; and
- (c) Assess whether ordinances establishing bundled rates result in de facto regulation of commercial source-separated recycling collection services by local governments in violation of state law.

$\underline{\text{NEW SECTION.}}$ Sec. 125. FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund—State Appropriation (FY 2016)	\$146,000
General Fund—State Appropriation (FY 2017)	\$185,000
TOTAL APPROPRIATION	

NEW SECTION. Sec. 126. FOR THE ATTORNEY GEN	ERAL
General Fund—State Appropriation (FY 2016)	. \$11,408,000
General Fund—State Appropriation (FY 2017)	. \$11,740,000
General Fund—Federal Appropriation	\$6,930,000
New Motor Vehicle Arbitration Account—State	
Appropriation	\$1,039,000
Legal Services Revolving Account—State	
Appropriation	\$225,029,000
Tobacco Prevention and Control Account—State	
Appropriation	\$273,000
Medicaid Fraud Penalty Account—State Appropriation	
Public Services Revolving Account—State	
Appropriation	\$2,217,000
Child Rescue Fund—State Appropriation	
TOTAL APPROPRIATION	

- (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) \$2,228,000 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.
- (5) \$353,000 of the general fund—state appropriation for fiscal year 2016 and \$353,000 of the general fund—state appropriation for fiscal year 2017 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.
- (6) \$1,196,000 of the legal services revolving fund—state appropriation is provided solely for the implementation of chapter 70, Laws of 2015 (Second Substitute Senate Bill No. 5052) (cannabis patient protection).

- (7) \$14,000 of the legal services revolving account—state appropriation is provided solely for implementation of chapter 240, Laws of 2015 (Substitute Senate Bill No. 5740) (extended foster care).
- (8) \$182,000 of the legal services revolving account—state appropriation is provided solely for implementation of chapter 274, Laws of 2015 (Engrossed Substitute House Bill No. 1449) (oil transportation safety).
- (9) \$71,000 of the legal services revolving account—state appropriation is provided solely for implementation of Engrossed Second Substitute House Bill No. 1472 (chemical action plans), Second Substitute Senate Bill No. 5056 (safer chemicals/action plans), Substitute Senate Bill No. 6131 (safer chemicals), or any of these. If none of these bills are enacted by July 10, 2015, the amount provided in this subsection shall lapse.
- (10) Pursuant to chapter 247, Laws of 2015 (Second Substitute House Bill No. 1281) (sexual exploitation of a minor), the office of the attorney general may expend \$500,000 from the child rescue fund—state appropriation, or an amount not to exceed actual revenues into the account.

$\underline{\text{NEW SECTION.}}$ Sec. 127. FOR THE CASELOAD FORECAST COUNCIL

General Fund—State Appropriation (FY 2016)	\$1,378,000
General Fund—State Appropriation (FY 2017)	\$1,454,000
TOTAL APPROPRIATION	\$2,832,000

The appropriations in this section are subject to the following conditions and limitations: \$55,000 of the general fund—state appropriation for fiscal year 2016 and \$55,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for Substitute Senate Bill No. 5999 (caseload forecast council). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 128. FOR THE DEPARTMENT OF COMMERCE General Fund—State Appropriation (FY 2016) \$60,162,000 General Fund—Federal Appropriation.....\$264,872,000 Public Works Assistance Account—State Drinking Water Assistance Administrative Home Security Fund Account—State Appropriation \$26,493,000 Affordable Housing for All Account—State Appropriation......\$12,023,000 Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account—State Low-Income Weatherization and Structural Rehabilitation Assistance Account—State

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Community and Economic Development Fee Account—State	
Appropriation	\$2,980,000
Washington Housing Trust Account—State	
Appropriation	. \$12,692,000
Prostitution Prevention and Intervention Account—	
State Appropriation	\$45,000
Public Facility Construction Loan Revolving	
Account—State Appropriation	\$791,000
Drinking Water Assistance Account—State	
Appropriation	\$10,000
Liquor Revolving Account—State Appropriation	\$5,607,000
Energy Freedom Account—State Appropriation	\$472,000
Financial Services Regulation Account—State	
Appropriation	\$468,000
Liquor Excise Tax Account—State Appropriation	\$643,000
Economic Development Strategic Reserve Account—State	
Appropriation	\$1,650,000
TOTAL APPROPRIATION	\$470,673,000

- (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) \$945,000 of the general fund—state appropriation for fiscal year 2016, \$945,000 of the general fund—state appropriation for fiscal year 2017, and \$12,541,000 of the home security fund—state appropriation are provided solely for the office of homeless youth prevention and protection programs, pursuant to chapter 69, Laws of 2015 (youth homelessness). Of the amounts provided in this subsection:
- (a) \$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 as recodified in chapter 69, Laws of 2015 (youth homelessness). 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 as recodified in chapter 69, Laws of 2015 (youth homelessness);
- (b) \$1,800,000 of the home security fund—state appropriation is provided solely for transitional housing assistance or partial payments for rental assistance under the independent youth housing program;

- (c) \$512,000 of the general fund—state appropriation for fiscal year 2016 and \$511,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for street youth services; and
- (d) \$433,000 of the general fund—state appropriation for fiscal year 2016 and \$434,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for administration of the office of homeless youth prevention and protection programs. The office must identify service gaps for youth and young adults who are homeless or at risk of homelessness. The office shall further lead efforts to improve data collection, help ensure services are available statewide, and assure that programs fulfill federal regulations and guidelines for preventing and ending youth homelessness.
- (3) \$500,000 of the general fund—state appropriation for fiscal year 2016 and \$500,000 of the general fund—state appropriation for fiscal year 2017 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.
- (4) \$306,000 of the general fund—state appropriation for fiscal year 2016 and \$306,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a grant to the retired senior volunteer program.
- (5) 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.
- (6) \$375,000 of the general fund—state appropriation for fiscal year 2016 and \$375,000 of the general fund—state appropriation for fiscal year 2017 are provided solely as pass-through funding to Walla Walla Community College for its water and environmental center.
- (7) \$396,000 of the general fund—state appropriation for fiscal year 2016 and \$396,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington new Americans program.
- (8) \$2,801,000 of the general fund—state appropriation for fiscal year 2016 and \$2,801,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for associate development organizations. During the 2015-2017 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.
- (9) \$234,000 of the general fund—state appropriation for fiscal year 2016 and \$233,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington asset building coalitions.
- (10) \$5,607,000 of the liquor revolving account—state appropriation is provided solely for the department to contract with the municipal research and services center of Washington.
- (11) \$2,000,000 of the Washington housing trust account—state appropriation and \$1,000,000 of the affordable housing for all account—state appropriation are provided solely for the department of commerce for services to homeless families through the Washington youth and families fund.
- (12) \$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.

- (13) \$700,000 of the general fund—state appropriation for fiscal year 2016 and \$700,000 of the general fund—state appropriation for fiscal year 2017 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.
- (14) The department is authorized to suspend issuing any nonstatutorily required grants or contracts of an amount less than \$1,000,000 per year.
- (15) 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.
- (16) Within existing resources, the department shall provide administrative and other indirect support to the developmental disabilities council.
- (17) \$546,000 of the general fund—state appropriation for fiscal year 2016 and \$512,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 68, Laws of 2015 (agricultural labor skills and safety).
- (18) \$256,000 of the general fund—state appropriation for fiscal year 2016 and \$268,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 296, Laws of 2015 (small business retirement marketplace).
- (19) \$1,677,000 of the financial fraud and identity theft crimes investigation and prosecution account—state appropriation is provided solely implementation of chapter 65, Laws of 2015 (financial fraud and identity theft).
- (20) Within existing resources, the department of commerce shall examine the effects of incompatible land use surrounding military installations within Washington state and conduct a comparative analysis of best practices from other states to mitigate conflicts between local jurisdictions and neighboring military installations due to incompatible land use. The department shall submit its analysis to the governor and the appropriate committees of the legislature by November 1, 2016.
- (21) \$175,000 of the general fund—state appropriation for fiscal year 2016 and \$175,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the expansion of the long-term care ombuds program to meet

the immediate needs of individuals by advocating on behalf of and protecting residents of long-term care facilities from abuse, neglect, and exploitation.

- (22) \$47,000 of the general fund—state appropriation for fiscal year 2016 and \$47,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 273, Laws of 2015 (trafficking of persons).
- (23) \$41,000 of the general fund—state appropriation for fiscal year 2016 and \$41,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 101, Laws of 2015 (trafficking of persons training).
- (24) \$468,000 of the financial services regulation account—state appropriation is provided solely for the family prosperity account program.
- (25) \$472,000 of the energy freedom account—state appropriation is provided solely for the energy office within the department of commerce.
- (26) \$11,000 of the general fund—state appropriation for fiscal year 2016 and \$11,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 9, Laws of 2015 1st sp. sess. (industrial/manufacturing facilities).
- (27) Within existing resources, the department of commerce shall consult with key crime victim services stakeholders to inform decisions about the funding distribution for federal fiscal years 2015-2017 victims of crime act victim assistance funding. These stakeholders must include, at a minimum, children's advocacy centers of Washington, Washington association of prosecuting attorneys, Washington association of sheriffs and police chiefs, Washington coalition against domestic violence, Washington coalition of sexual assault programs, Washington coalition of crime victim advocates, at least one representative from a child health coalition, and other organizations as determined by the department. Funding distribution considerations shall include, but are not limited to, geographic distribution of services, underserved populations, age of victims, best practices, and the unique needs of individuals, families, youth, and children who are victims of crime.
- (28) \$250,000 of the general fund—state appropriation for fiscal year 2016 and \$250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for grants to local governments, nonprofit organizations, and associate development organizations to assist workers and communities adversely impacted by recent closures of timber mills and forest product manufacturing facilities in Mason county. Funds may be used for workforce and economic development activities, including public infrastructure projects that will increase employment opportunities in the county.
- (29) \$643,000 of the liquor excise tax account—state appropriation is provided solely for the department of commerce to provide fiscal note assistance to local governments.
- (30) \$80,000 of the general fund—state appropriation for fiscal year 2016 and \$80,000 of the general fund—state appropriation for fiscal year 2017 is provided solely as a grant to Klickitat county for a land use planner to process a backlog of permits that have not been processed by the Columbia river gorge commission due to lack of funds.
- (31) \$50,000 of the general fund—state appropriation for fiscal year 2016 and \$50,000 of the general fund—state appropriation for fiscal year 2017 are

provided solely to plan and develop a regional approach in southwest King county to provide day and hygiene shelter services to homeless populations. The plan will identify appropriate partners and a service model to meet regional needs; evaluate the establishment of a facility or facilities to provide day and hygiene services; and within the amounts provided work with existing providers to expand existing services to provide day and hygiene shelter services.

- (32) \$100,000 of the general fund—state appropriation for fiscal year 2016 and \$100,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for grants to Safe Yakima Valley and Associated Ministries of Tacoma to coordinate community efforts for the prevention of alcohol, tobacco, drug use and violence.
- (33) Within the amounts provided, the public works board may expend up to \$250,000 of the public work assistance account—state appropriation for development of a curriculum and online delivery system in cooperation with the state board for community and technical colleges for public works managers.
- (34) \$500,000 of the public works assistance account—state appropriation is provided solely for implementation of Engrossed Substitute Senate Bill No. 5624 (financing essential public infrastructure). If Engrossed Senate Joint Resolution No. 8204 is not ratified at the November 2015 general election, the amount provided in this subsection shall lapse.
- (35) The department must convene a work group of interested stakeholders to review the state's deed of trust act contained in Title 61 RCW. The work group should include, but not be limited to, representatives from financial institutions, loan servicing and trustee service companies, and advocacy groups representing homeowners and borrowers. The work group is tasked to review and make recommendations to ensure that the act remains a workable system for financial institutions, loan servicing companies, trustee, homeowners, and borrowers. A report on the review and recommendations is due to the governor and legislature by December 1, 2015. Up to \$20,000 from the foreclosure fairness account may be used to defray the department's costs for convening and providing administrative and technical support to the work group.
- (36) \$5,000 of the general fund—state appropriation for fiscal year 2016 and \$45,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the department to contract with the University of Washington women's center to conduct a study to research supply chain policies related to labor practices of small, medium, and large businesses. The study shall analyze whether or not there is a correlation between supply chain management practices that protect workers from human trafficking and unsafe working conditions and higher shareholder value and/or market share. The study will examine the impact of corporate sourcing practices in social media feedback and in customer satisfaction. The study shall provide case studies and best practices in ethical sourcing practices that protect workers. The study shall recommend how to evaluate and monitor supply chain management related to labor and vendor management practices of companies without bias. The study shall make recommendations on how the state can design legislation on global ethical sourcing practices that is comprehensive, pragmatic and enforceable. The study shall be presented to the house and senate commerce and labor committees no later than January 31, 2016.

(37) \$300,000 of the general fund—state appropriation for fiscal year 2016 and \$300,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the northwest agriculture business center.

$\underline{\text{NEW SECTION.}}$ Sec. 129. FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017)
Lottery Administrative Account—State Appropriation
TOTAL APPROPRIATION
*NEW SECTION. Sec. 130. FOR THE OFFICE OF FINANCIAL
MANAGEMENT
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017)
General Fund—Federal Appropriation\$38,321,000
General Fund—Private/Local Appropriation
Economic Development Strategic Reserve Account—State
Appropriation
Personnel Service Fund—State Appropriation\$8,609,000
Higher Education Personnel Services Account—State
Appropriation
Performance Audits of Government Account—State
Appropriation
Statewide Information Technology System Development
Revolving Account—State Appropriation
Data Processing Revolving Account—State Appropriation\$181,000
TOTAL APPROPRIATION\$104,654,000

- (1) The appropriations in this section represent a transfer of expenditure authority of \$2,333,000 of the general fund—federal appropriation for fiscal year 2016 and \$1,782,000 of the general fund—federal appropriation for fiscal year 2017 to the office of financial management to implement Engrossed Substitute Senate Bill No. 5084 (all payer claims database).
- (2) \$13,799,000 of the statewide information technology system development revolving account—state appropriation is provided solely for prepayment of the debt service for the time, leave, and attendance system. The enterprise time, leave, and attendance project shall be discontinued, but the office and other state agencies may utilize acquired project assets for other purposes to the extent practicable.
- (3) \$50,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for implementation of Engrossed Second Substitute House Bill No. 1491 (early care and education system). If the bill is not enacted by July 10, 2015, the amount provided in this subsection shall lapse.
- (4) \$33,000 of the general fund—state appropriation for fiscal year 2017 is provided one time solely to implement chapter 244, Laws of 2015 (college bound scholarship).

(5) \$168,000 of the general fund—state appropriation for fiscal year 2016 and \$163,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to implement chapter 245, Laws of 2015 (outdoor recreation).

Sec. 130 is partially vetoed. See message at end of chapter.

<u>NEW SECTION.</u> Sec. 131. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account—State

Appropriation......\$38,458,000

${ m \underline{NEW}}$ SECTION. Sec. 132. FOR THE WASHINGTON STATE LOTTERY

Lottery Administrative Account—State

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

- (1) \$690,000 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.
- (3) Pursuant to RCW 67.70.040, the commission shall take such action necessary to reduce by \$6,000,000 each fiscal year the total amount of compensation paid to licensed lottery sales agents. It is anticipated that the result of this action will reduce retail commissions to an average of 5.1 percent of sales

$\underline{\text{NEW SECTION}}$. Sec. 133. FOR THE COMMISSION ON HISPANIC AFFAIRS

$\underline{\text{NEW SECTION.}}$ Sec. 134. FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS

<u>NEW SECTION.</u> Sec. 135. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—OPERATIONS

Department of Retirement Systems Expense

The appropriation in this section is subject to the following conditions and limitations: \$25,000 of the department of retirement systems expense account—state appropriation is provided solely to implement chapter 78, Laws of 2015 (SHB 1194).

Financial Services Regulation Account—State

NFW

and limitations:

SECTION

Appropriation	\$5,000,000
Timber Tax Distribution Account—State	
Appropriation	\$6,556,000
Waste Reduction/Recycling/Litter Control—State	
Appropriation	\$141,000
State Toxics Control Account—State Appropriation	\$101,000
Business License Account—State Appropriation	\$24,315,000
TOTAL APPROPRIATION	. \$276,022,000

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

- (1) \$5,740,000 of the general fund—state appropriation for fiscal year 2016, \$5,741,000 of the general fund—state appropriation for fiscal year 2017, and \$11,481,000 of the business license account—state appropriation are provided solely for the taxpayer legacy system replacement project.
- (2) \$487,000 of the general fund—state appropriation for fiscal year 2016 and \$582,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of Substitute Senate Bill No. 5186 (disabled veterans and seniors). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 137. FOR THE BOARD OF TAX APPEALS General Fund—State Appropriation (FY 2016). \$1,269,000 General Fund—State Appropriation (FY 2017). \$1,286,000 TOTAL APPROPRIATION. \$2,555,000

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FOR THE INSURANCE

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TILW DECITOR.	Sec.	15).	I OIL	1 1112	HISOMHICE
COMMISSIONER					
General Fund—State Appre	opriation	n (FY 20	16)		\$300,000
General Fund—State Appre	opriation	n (FY 20	17)		\$227,000
General Fund—Federal Ap	propriat	ion			\$4,572,000
Insurance Commissioners I	Regulato	ory Accou	ınt—State		
Appropriation		· · · · · · · ·			\$54,415,000

- (1) \$168,000 of the insurance commissioners regulatory account—state appropriation is provided solely for the implementation of chapter 17, Laws of 2015 (HB 1172).
- (2) \$129,000 of the insurance commissioners regulatory account—state appropriation is provided solely for the implementation of chapter 63, Laws of 2015 (HB 1077).
- (3) \$272,000 of the insurance commissioners regulatory account—state appropriation is provided solely for the implementation of chapter 122, Laws of 2015 (SB 5717).

(4) \$25,000 of the insurance commissioners regulatory account—state appropriation is provided solely for the implementation of chapter 19, Laws of 2015 (SSB 5023).

NEW SECTION. Sec. 140. FOR THE STATE INVESTMENT BOARD State Investment Board Expense Account—State
Appropriation
NEW SECTION. Sec. 141. FOR THE LIQUOR AND CANNABIS
BOARD
Dedicated Marijuana Fund—State
Appropriation (FY 2016)
Dedicated Marijuana Fund—State Appropriation (FY 2017) \$7,821,000
Liquor Revolving Account—State Appropriation
General Fund—Federal Appropriation
General Fund—Private/Local Appropriation
TOTAL APPROPRIATION

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

- (1) \$2,183,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and \$2,818,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for implementation of Substitute House Bill No. 2136 (marijuana market reforms) and Second Substitute Senate Bill No. 5052 (cannabis patient protection). If either bill is not enacted by July 10, 2015, the amount provided in this subsection shall lapse.
- (2) \$376,000 of the liquor revolving fund—state appropriation is provided solely for the implementation of Substitute Senate Bill No. 5280 (beer and cider sales). If the bill is not enacted by July 10, 2015, the amount provided in this subsection shall lapse.
- (3) \$2,641,000 of the liquor revolving account—state appropriation is provided solely for additional cigarette and tobacco enforcement. The liquor control board must provide additional cigarette and tobacco enforcement officers and pursue strategies to reduce the amount of smuggled, contraband, and otherwise untaxed cigarette and tobacco products in the state. The liquor control board must report the amount of untaxed cigarette and tobacco taxes recovered in comparison to past years to the appropriate committees of the legislature by January 1, 2016, and January 1, 2017.

- (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) \$2,849,000 of the public service revolving account—state appropriation is provided solely for implementation of chapter 274, Laws of 2015 (Engrossed Substitute House Bill No. 1449) (oil transportation safety).
- (3) \$176,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for the energy facility site evaluation council to conduct a study on the siting of small modular reactors in Washington.
- (a) The study must include the following: (i) Identification of possible locations in the state where small modular reactors could be suitably located; (ii) identification of permits and studies that would need to be conducted in order to facilitate the siting of small modular reactors; and (iii) recommendations on how the siting and permitting process could be streamlined for small modular reactors.
- (b) The energy facility site evaluation council shall report its findings and recommendations to the appropriate committees of the legislature and the governor by December 1, 2015.
- (c) The energy facility site evaluation council may contract for services to assist in the study.
- (d) For purposes of this subsection, "small modular reactor" means a scalable nuclear power plant using reactors that each have a gross power output no greater than three hundred megawatts electric, and where each reactor is designed for factory manufacturing and ease of transport, such as by truck, rail, or barge.

NEW SECTION. Sec. 143. FOR THE MILITARY DEPARTMENT General Fund—State Appropriation (FY 2016). \$3,386,000 General Fund—State Appropriation (FY 2017). \$3,417,000 General Fund—Federal Appropriation. \$136,393,000 Enhanced 911 Account—State Appropriation. \$57,917,000 Disaster Response Account—State Appropriation. \$21,749,000 Disaster Response Account—Federal Appropriation. \$75,870,000 Military Department Rent and Lease Account—State Appropriation. \$615,000 Worker and Community Right-to-Know Account—State Appropriation. \$2,886,000 Oil Spill Prevention Account—State Appropriation \$1,000,000 TOTAL APPROPRIATION. \$303,233,000

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

(1) Appropriations from the disaster response account—state appropriation and 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 2015-2017 biennium based on current revenue and expenditure patterns.

- (2) \$60,000,000 of the general fund—federal appropriation is provided solely for homeland security, subject to the following conditions: Any communications equipment purchased by local jurisdictions or state agencies shall be consistent with standards set by the Washington state interoperability executive committee.
- (3) \$1,000,000 of the oil spill prevention account—state appropriation is provided solely for implementation of chapter 274, Laws of 2015 (Engrossed Substitute House Bill No. 1449) (oil transportation safety).
- (4) \$100,000 of the general fund—state appropriation for fiscal year 2016 and \$100,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the conditional scholarship program pursuant to chapter 28B.103 RCW.
- (5) \$5,000,000 of the enhanced 911 account—state appropriation is provided solely for financial assistance to counties to replace analog 911 telephone and network equipment with next generation 911 capable technology.
- (6) \$1,850,000 of the disaster response account—state appropriation is provided solely to Okanogan and Ferry counties to address deficiencies within their communications infrastructure for 911 dispatch. Funds will be used to replace failing radio dispatching hardware within 911 dispatch centers; build interoperable communications between each county's dispatch center such that each can serve as a back-up to the other; and build upon the existing wireless microwave network for 911 calls, dispatch centers, and first responder radio operations. Prior to releasing any state funds, the department will consult with the counties to determine if federal funds are available for any proposed expenditure and assist the counties with any application for such funds.
- (7) \$130,000 of the enhanced 911 account—state appropriation is provided solely for the department to conduct a pilot program within King county to implement a mobile phone application that notifies persons trained in cardiopulmonary resuscitation of persons nearby who are having a cardiac emergency. The department may partner with the county, a city, a fire district, or a search and rescue organization for purposes of implementing the application and software-as-a-service in an existing computer-aided dispatch system. The department will report the results of the pilot program to the legislature by December 1, 2016.

NEW SECTION. Sec. 144. FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION General Fund—State Appropriation (FY 2016). \$1,845,000 General Fund—State Appropriation (FY 2017). \$1,944,000 Higher Education Personnel Services Account—State Appropriation. \$1,143,000 Personnel Service Account—State Appropriation \$3,577,000 TOTAL APPROPRIATION. \$8,509,000

NEW SECTION. Sec. 145. FOR THE BOARD OF ACCOUNTANCY

Certified Public Accountants' Account—State

The appropriation in this section is subject to the following conditions and limitations: \$3,300,000 of the certified public accountants' account—state appropriation is provided solely for deposit into the certified public accounting transfer account to fund Washington-based colleges and universities for students pursuing degrees in accounting or taxation as provided in chapter 215, Laws of 2015 (Substitute Senate Bill No. 5534).

<u>NEW SECTION.</u> Sec. 146. FOR THE FORENSIC INVESTIGATION COUNCIL

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

- (1) \$250,000 of the death investigations account appropriation is provided solely for providing financial assistance to local jurisdictions in multiple death investigations. The forensic investigation council shall develop criteria for awarding these funds for multiple death investigations involving an unanticipated, extraordinary, and catastrophic event or those involving multiple jurisdictions.
- (2) \$210,000 of the death investigations account appropriation is provided solely for providing financial assistance to local jurisdictions in identifying human remains.

<u>NEW SECTION.</u> Sec. 147. FOR THE HORSE RACING COMMISSION

Horse Racing Commission Operating Account—State

$\underline{\text{NEW}}$ SECTION. Sec. 148. FOR THE DEPARTMENT OF ENTERPRISE SERVICES

General Fund—State Appropriation (FY 2016)	\$2,874,000
General Fund—State Appropriation (FY 2017)	\$3,585,000
General Fund—Private/Local Appropriation	\$102,000
Building Code Council Account—State Appropriation	\$1,256,000
Dedicated Marijuana Account—State Appropriation (FY 2016)	\$95,000
TOTAL APPROPRIATION	\$7 912 000

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

(1) \$2,537,000 of the general fund—state appropriation for fiscal year 2016, \$3,243,000 of the general fund—state appropriation for fiscal year 2017, and \$1,584,000 from the fee charged to master contract vendors are provided solely for the payment of facilities and services charges, utilities and contracts charges, public and historic facilities charges, and capital projects surcharges allocable to the senate, house of representatives, statute law committee, legislative support services, joint legislative systems committee, and office of support services. The department shall allocate charges attributable to these agencies among the affected revolving funds. The department shall maintain an interagency

agreement with these agencies to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance provisions for the delivery of services under this subsection. The legislative agencies named in this subsection shall continue to enjoy all of the same rights of occupancy and space use on the capitol campus as historically established.

- (2) In accordance with RCW 46.08.172 and 43.135.055, the department is authorized to increase parking fees in fiscal years 2016 and 2017 as necessary to meet the actual costs of conducting business.
- (3) Before any agency may purchase a passenger motor vehicle as defined in RCW 43.19.560, the agency must have written approval from the director of the department of enterprise services.
- (4) From the fee charged to master contract vendors, the department shall transfer to the office of minority and women's business enterprises in equal monthly installments \$893,000 in fiscal year 2016 and \$1,599,000 in fiscal year 2017.
- (5) \$95,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 is provided solely for the implementation of Engrossed Second Substitute House Bill No. 2136 (marijuana market reforms). If the bill is not enacted by July 10, 2015, the amount provided in this subsection shall lapse.

$\underline{\text{NEW SECTION.}}$ Sec. 149. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS

Volunteer Firefighters' and Reserve Officers'

Administrative Account—State Appropriation \$1,013,000

NEW SECTION. Sec. 150. FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION General Fund—State Appropriation (FY 2016) \$1,363,000 General Fund—State Appropriation (FY 2017) \$1,390,000 General Fund—Federal Appropriation \$2,122,000

General Fund—Private/Local Appropriation\$14,000 TOTAL APPROPRIATION\$4,889,000

The appropriations in this section are subject to the following conditions and limitations: \$121,000 of the general fund—state appropriation for fiscal year 2016 and \$121,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington main street program.

NEW SECTION. Sec. 151. FOR THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY General Fund—State Appropriation (FY 2016)...........\$1,000,000

General Fund—State Appropriation (FY 2017)......\$450,000 Consolidated Technology Services Revolving

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

(1) 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 the 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.

- (2) \$550,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for the office of the chief information officer to develop a statewide strategic business and technology architecture plan for time capture, payroll and payment processes, and eligibility and authorization processes for the department of early learning. In collaboration with the department of early learning the plan will identify and recommend whether existing systems, or planned systems, can and should be used to meet the department of early learning's business needs. A child care attendance and billing solution must be designed or modified to align with the statewide enterprise strategy once the strategic architecture is established. The plan shall be completed and delivered to the appropriate committees of the legislature by December 1, 2015.
- (3) \$450,000 of the general fund—state appropriation for fiscal year 2016 and \$450,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to the office of the chief information officer for statewide technical oversight of information technology projects for time capture, payroll and payment processes, and eligibility and authorization processes. The office of the chief information officer shall identify where existing or proposed technology investments should be consolidated, identify when existing or proposed technology investments can be reused or leveraged to meet multiagency needs, increase interoperability between agencies, and identify how redundant investments can be reduced overtime.
- (4) \$7,368,000 of the consolidated technology services revolving account—state appropriation is provided solely for implementation of Second Substitute House Bill No. 1391 or Second Substitute Senate Bill No. 5315 (aligning information technology functions). If neither bill is enacted by July 10, 2015, the amount provided in this subsection shall lapse.

PART II HUMAN SERVICES

<u>NEW SECTION.</u> Sec. 201. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

- (1) The appropriations to the department of social and health services in this act shall be expended for the programs and in the amounts specified in this act. Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in this act, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose.
- (2) The department of social and health services shall not initiate any services that require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department may seek, receive, and spend,

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

- (3) The legislature finds that medicaid payment rates, as calculated by the department pursuant to the appropriations in this act, bear a reasonable relationship to the costs incurred by efficiently and economically operated facilities for providing quality services and will be sufficient to enlist enough providers so that care and services are available to the extent that such care and services are available to the general population in the geographic area. The legislature finds that cost reports, payment data from the federal government, historical utilization, economic data, and clinical input constitute reliable data upon which to determine the payment rates.
- (4) 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 the health care authority. 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
- (5) Information technology projects and proposed projects for time capture, payroll and payment processes, and eligibility and authorization systems within the department of social and health services are subject to technical oversight by the office of the chief information officer.
- (6)(a) 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 medicaid.
- (b) To facilitate a single point of entry across public and medical assistance programs, and to maximize the use of federal funding, the health care authority, the department of social and health services, and the health benefit exchange will coordinate efforts to expand HealthPlanfinder access to public assistance and medical eligibility staff. No later than October 1, 2015, the department shall complete medicaid applications in the HealthPlanfinder for households receiving or applying for public assistance benefits.
- (c) The department, in coordination with the health care authority, shall pursue a federal waiver to use supplemental nutrition assistance program

eligibility, aged, blind, or disabled program eligibility, or temporary assistance for needy families eligibility, to enroll eligible persons into medicaid.

- (7) In accordance with RCW 71.24.380, the health care authority and the department are authorized to purchase medical and behavioral health services through integrated contracts upon request of all of the county authorities in a regional service area to become an early adopter of fully integrated purchasing of medical and behavioral health services. The department may combine and transfer such amounts appropriated under sections 204, 208, and 213 of this act as may be necessary to fund early adopter contracts. The amount of medicaid funding transferred 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. The amount of non-medicaid funding transferred from sections 204 and 208 may not exceed the amount that would have been contracted with a behavioral health organization if the county authorities had not requested to become an early adopter of fully integrated purchasing. If any funding that this act provides solely for a specific purpose is transferred under this subsection, that funding must be used consistently with the provisions and conditions for which it was provided.
- (8) In accordance with RCW 71.24.380, the department is authorized to purchase mental health and substance use disorder services through integrated contracts with behavioral health organizations. The department may combine and transfer such amounts appropriated under sections 204 and 208 of this act as may be necessary to finance these behavioral health organization contracts. If any funding that this act provides solely for a specific purpose is transferred under this subsection, that funding must be used consistently with the provisions and conditions for which it was provided.

<u>NEW SECTION.</u> Sec. 202. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—CHILDREN AND FAMILY SERVICES PROGRAM

- (1) Amounts appropriated in this section include funding for the department to establish basic foster care rates consistent with the settlement agreement in *FPAWS v. Quigley*.
- (2) \$668,000 of the general fund—state appropriation for fiscal year 2016 and \$668,000 of the general fund—state appropriation for fiscal year 2017 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) \$253,000 of the general fund—state appropriation for fiscal year 2016 and \$253,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the costs of the eight existing hub home foster families that provide a foster care delivery model that includes a licensed hub home. Use of the hub home model is intended to support foster parent retention, improve child outcomes, and encourage the least restrictive community placements for children in out-of-home care.
- (4) \$579,000 of the general fund—state appropriation for fiscal year 2016, \$579,000 of the general fund—state appropriation for fiscal year 2017, and \$109,000 of the general fund—federal appropriation are provided solely for a receiving care center east of the Cascade mountains.
- (5) \$990,000 of the general fund—state appropriation for fiscal year 2016 and \$990,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for services provided through children's advocacy centers.
- (6) \$1,250,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for implementation of performance-based contracts for family support and related services pursuant to RCW 74.13B.020.
- (7) \$5,865,000 of the general fund—state appropriation for fiscal year 2016, \$2,564,000 of the general fund—state appropriation for fiscal year 2017, \$6,529,000 of the child and family reinvestment account—state appropriation, and \$14,958,000 of the general fund—federal appropriation, are provided solely to maintain family assessment response in children's administration field offices that began implementing family assessment response in the 2013-2015 fiscal biennium.
- (8) \$94,000 of the general fund—state appropriation for fiscal year 2016 and \$94,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a contract with a child advocacy center in Spokane to provide continuum of care services for children who have experienced abuse or neglect and their families.
- (9) \$668,000 of the domestic violence prevention account—state appropriation is provided solely for implementation of chapter 275, Laws of 2015 (SSB 5631) (domestic violence victims).
- (10) \$2,996,000 of the general fund—state appropriation for fiscal year 2016, \$3,434,000 of the general fund—state appropriation for 2017, and \$844,000 of the general fund—federal appropriation are provided solely for the children's administration to:
- (a) Reduce the caseload ratios of social workers serving children in foster care to promote decreased lengths of stay and to make progress towards achievement of the Braam settlement caseload outcome;
- (b) Support the closure of child protective services investigations within ninety days of intake, where appropriate; and

(c) Progress towards statewide expansion and support of the child protective services family assessment response pathway.

The children's administration must, in the manner it determines appropriate, balance expenditure of amounts provided in this subsection in a way that makes substantial investments in each of the three purposes in (a) through (c) of this subsection. Of the amounts provided in this subsection, no more than \$1,600,000 may be used for the purpose of (b) of this subsection.

- (11) \$819,000 of the general fund—state appropriation for fiscal year 2017 and \$373,000 of the general fund—federal appropriation are provided solely for implementation of chapter 240, Laws of 2015 (SSB 5740) (extended foster care).
- (12) \$784,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for early achievers tiered reimbursement for family home and center child care providers consistent with Engrossed Second Substitute House Bill No. 1491 (early care & education system). If the bill is not enacted by July 10, 2015, the amount provided in this subsection shall lapse.
- (13) \$539,000 of the general fund—state appropriation for fiscal year 2016, \$540,000 of the general fund—state appropriation for fiscal year 2017, \$656,000 of the general fund private/local appropriation, and \$253,000 of the general fund—federal appropriation are provided solely for the 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 department's transition to performance-based contracts. Funding must be prioritized to regions with high numbers of foster care youth, or regions where backlogs of youth that have formerly requested educational outreach services exist. The children's administration is encouraged to use private matching funds to maintain educational advocacy services.
- (14) The children's administration shall adopt policies to reduce the percentage of parents requiring supervised visitation, including clarification of the threshold for transition from supervised to unsupervised visitation prior to reunification. The children's administration shall submit the revised visitation policy to the appropriate policy and fiscal committees of the legislature by December 1, 2015.
- (15) \$446,000 of the general fund—state appropriation for fiscal year 2016 and \$1,461,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a contract with a nongovernmental entity or entities for demonstration sites to improve the educational outcomes of students who are dependent pursuant to chapter 13.34 RCW.
- (a) Of the amounts provided in this subsection, \$446,000 of the general fund—state appropriation for fiscal year 2016 and \$446,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the demonstration site established pursuant to the 2013-2015 omnibus appropriations act, section 202(10), chapter 4, Laws of 2013, 2nd sp. sess.
- (b) Of the amounts provided in this subsection, \$1,015,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for a second demonstration site. The children's administration, in collaboration with the office of the superintendent of public instruction and the contracted nongovernmental entity or entities, shall select a second demonstration site that includes a school

district or school districts with a significant number of dependent students. The second site must be implemented no earlier than July 1, 2016.

- (c) The demonstration sites in this subsection must facilitate the educational progress and graduation of dependent youth by providing individualized education services and monitoring and supporting dependent youths' remediation needs, special education needs, and completion of education milestones. The contracts 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. The baseline for measurement for the existing site was established in the 2013-14 school year and remains applicable through the 2017-18 school year. The baseline for measurement for the site established in section 202(15)(b) must be established in the 2016-17 school year and remains applicable through the 2020-21 school year.
- (d) The demonstration sites 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 children's administration case workers to develop educational plans for and with participating youth;
 - (iii) Monitoring educational 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 contractor must report demonstration site outcomes to the department of social and health services and the office of the superintendent of public instruction by September 30, 2015, for the 2014-15 school year and by September 30, 2016, for the 2015-16 school year.
- (g) The children's administration shall proactively refer all eligible students thirteen years or older within the demonstration site areas to the contractor for educational services.
- (h) The contractor shall report to the legislature by September 30, 2015, for the 2014-15 school year and by September 30, 2016, for the 2015-16 school year on the number of eligible youth referred by the children's administration, the number of youth served, and the effectiveness of the demonstration site or sites in increasing graduation rates for dependent youth.
- (16) The children's administration, office of the superintendent of public instruction, and student achievement council shall collaborate with the office of the attorney general, other governmental agencies, advocacy organizations, and others as needed to report to the legislature by December 1, 2015, on strategies to permit supplemental education transition planning for dependent youth to be administered by the student achievement council and the demonstration sites to be administered by the office of the superintendent of public instruction no later than June 30, 2016. The report shall assess the feasibility of transitioning the programs and recommend strategies to resolve data and information sharing barriers through legislative policy and professional practice.
- (17) \$334,000 of the general fund—state appropriation for fiscal year 2016, \$548,000 of the general fund—state appropriation for fiscal year 2017, and

\$249,000 of the general fund—federal appropriation are provided solely for extended foster care services for eligible youth engaged in employment for eighty hours or more per month, pursuant to chapter 122, Laws of 2014.

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

NEW SECTION. Sec. 203. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—JUVENILE REHABILITATION PROGRAM

I KOGKAWI	
General Fund—State Appropriation (FY 2016)	. \$92,849,000
General Fund—State Appropriation (FY 2017)	. \$90,583,000
General Fund—Federal Appropriation	\$3,464,000
General Fund—Private/Local Appropriation	\$1,985,000
Washington Auto Theft Prevention Authority Account—	
State Appropriation	\$196,000
Juvenile Accountability Incentive Account—Federal	
Appropriation	\$2,801,000
TOTAL APPROPRIATION	\$191,878,000

- (1) \$331,000 of the general fund—state appropriation for fiscal year 2016 and \$331,000 of the general fund—state appropriation for fiscal year 2017 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) \$6,198,000 of the general fund—state appropriation for fiscal year 2016 and \$6,198,000 of the general fund—state appropriation for fiscal year 2017 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.
- (3) \$1,130,000 of the general fund—state appropriation for fiscal year 2016 is provided solely to implement alcohol and substance abuse treatment programs for locally committed offenders. Funding for this purpose in fiscal year 2017 is provided through a memorandum of understanding with the department of social and health services alcohol and substance abuse program. 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.
- (4) \$3,123,000 of the general fund—state appropriation for fiscal year 2016 and \$2,841,000 of the general fund—state appropriation for fiscal year 2017 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. Additional funding for this purpose in fiscal year 2017 is provided through a memorandum of understanding with the department of social and health services alcohol and substance abuse program. 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.

- (5) \$1,537,000 of the general fund—state appropriation for fiscal year 2016 and \$1,537,000 of the general fund—state appropriation for fiscal year 2017 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.
- (6)(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 evidencebased 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

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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 evidencebased 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 iuvenile 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.
- (7) 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.

- (8) \$445,000 of the general fund—state appropriation for fiscal year 2016 and \$445,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for funding of the teamchild project.
- (9) \$178,000 of the general fund—state appropriation for fiscal year 2016 and \$178,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the juvenile detention alternatives initiative.
- (10) \$500,000 of the general fund—state appropriation for fiscal year 2016 and \$500,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a grant program focused on criminal street gang prevention and intervention. The juvenile rehabilitation administration may award grants under this subsection. The juvenile rehabilitation administration 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. 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 on the youth and the community.
- (11) The juvenile rehabilitation institutions 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.

*NEW SECTION. Sec. 204. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—MENTAL HEALTH PROGRAM

AND HEALTH SERVICES—MENTAL HEALTH I ROGRAM
(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS
General Fund—State Appropriation (FY 2016) \$339,344,000
General Fund—State Appropriation (FY 2017)\$353,115,000
General Fund—Federal Appropriation
General Fund—Private/Local Appropriation
Dedicated Marijuana Account—State Appropriation
(FY 2016)\$2,778,000
Dedicated Marijuana Account—State Appropriation
(FY 2017)
TOTAL APPROPRIATION

- (a) For the purposes of this subsection, the term "regional support networks," includes, effective April 1, 2016, behavioral health organizations which assume the duties of regional support networks pursuant to chapter 225, Laws of 2014 (2SSB 6312).
- (b) \$16,631,000 of the general fund—state appropriation for fiscal year 2016, \$13,761,000 of the general fund—state appropriation for fiscal year 2017, and \$17,918,000 of the general fund—federal appropriation are provided solely to reimburse regional support networks for increased utilization costs, as compared to utilization costs in fiscal year 2014, that are incurred in order to

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meet statutory obligations to provide individualized mental health treatment in appropriate settings to individuals who are detained or committed under the involuntary treatment act. Prior to distributing funds to a regional support network requesting reimbursement for costs relative to increased utilization, the department must receive adequate documentation of such increased utilization and costs. Regional support networks receiving funds for community hospitals or evaluation and treatment center beds under (p) of this subsection are only eligible for reimbursement that exceeds the total of their utilization costs in fiscal year 2014 and the costs of services provided with additional funds received under (p) of this subsection.

- (c) \$2,452,000 of the general fund—state appropriation for fiscal year 2016, \$2,264,000 of the general fund—state appropriation for fiscal year 2017, and \$2,653,000 of the general fund—federal appropriation are provided solely for implementation of chapter 258, Laws of 2015 (E2SSB 5269) (involuntary treatment act). Regional support networks must use these amounts for involuntary treatment costs associated with implementation of this bill.
- (d) \$3,776,000 of the general fund—state appropriation for fiscal year 2016, \$5,780,000 of the general fund—state appropriation for fiscal year 2017, and \$6,054,000 of the general fund—federal appropriation are provided solely for implementation of chapter 250, Laws of 2015 (E2SHB 1450) (involuntary outpatient treatment). Regional support networks must use these amounts for increases in community mental health treatment associated with implementation of this bill
- (e) \$81,180,000 of the general fund—state appropriation for fiscal year 2016 and \$81,180,000 of the general fund—state appropriation for fiscal year 2017 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. These amounts includes a reduction of \$4,715,000 for fiscal year 2016 and \$4,715,000 for fiscal year 2017 associated with a funding shift that allows for increased federal participation for community inpatient stays that were previously ineligible for federal matching funds. This reduction will be distributed to regional support networks based on the same proportions that were added to regional support network capitation ranges specific to the waiver that allowed for federal funds to be used for community inpatient stays that were previously ineligible for federal matching funds. The department must allow regional support networks to use medicaid capitation payments to provide services to medicaid enrollees that are in addition to those covered under the state plan in accordance with the conditions established under federal regulations governing medicaid managed care contracts and subject to federal approval by the center for medicaid and medicare services.
- (f) \$6.590,000 of the general fund—state appropriation for fiscal year 2016, \$6,590,000 of the general fund—state appropriation for fiscal year 2017, 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)(e) 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.

- (g) 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 587 per day.
- (h) 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.
- (i) 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.
- (j) \$750,000 of the general fund—state appropriation for fiscal year 2016 and \$750,000 of the general fund—state appropriation for fiscal year 2017 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.
- (k) \$1,125,000 of the general fund—state appropriation for fiscal year 2016 and \$1,125,000 of the general fund—state appropriation for fiscal year 2017 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.

(l) \$1,204,000 of the general fund—state appropriation for fiscal year 2016 and \$1,204,000 of the general fund—state appropriation for fiscal year 2017 are

provided solely to reimburse Pierce and Spokane counties for the cost of conducting 180-day commitment hearings at the state psychiatric hospitals.

- (m) 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 (e) 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.
- (n) \$2,291,000 of the general fund—state appropriation for fiscal year 2016 and \$2,291,000 of the general fund—state appropriation for fiscal year 2017 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.
- (o) 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
- (p) \$11,405,000 of the general fund—state appropriation for fiscal year 2016, \$11,405,000 of the general fund—state appropriation for fiscal year 2017, and \$17,680,000 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.
- (g) The appropriations in this section include a reduction of \$16,462,000 in general fund—state and \$16,468,000 of general fund—federal expenditure authority. This reduction must be achieved by reducing regional support network medicaid rates for disabled adults, nondisabled adults, disabled children, and

nondisabled children. No regional support network rate may be lowered below the low end of the rate range that is certified as actuarially sound. The department must work to develop updated minimum and maximum reserve levels that reflect the changes in the number of medicaid eligible individuals since reserve levels were originally set as well as the integration of substance use disorder services into managed care contracts funded within the amounts appropriated in this section. The department must submit a report to the office of financial management and the appropriate fiscal committees of the legislature by December 1, 2015, that includes the revised minimum and maximum reserve levels for medicaid and nonmedicaid behavioral health organization contracts.

(r) \$1,394,000 of the general fund—state appropriation for fiscal year 2016, \$1,394,000 of the general fund—state appropriation for fiscal year 2017, and \$2,020,000 of the general fund—federal appropriation are provided solely for implementation of chapter 7, Laws of 2015 1st sp. sess. (2E2SSB 5177) (timeliness of competency evaluation and restoration services). Regional support networks must use the amounts for outpatient mental health treatment costs associated with implementation of the bill.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2016)	\$170,364,000
General Fund—State Appropriation (FY 2017)	\$181,757,000
General Fund—Federal Appropriation	\$162,866,000
General Fund—Private/Local Appropriation	\$56,669,000
TOTAL APPROPRIATION	\$571,656,000

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 2016 and \$231,000 of the general fund—state appropriation for fiscal year 2017 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 2016 and \$45,000 of the general fund—state appropriation for fiscal year 2017 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) \$9,571,000 of the general fund—state appropriation for fiscal year 2016 and \$17,287,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of efforts to improve the timeliness of competency restoration services pursuant to chapter 5, Laws of 2015 (SSB 5889) (timeliness of competency treatment and evaluation services). This funding must be used to increase the number of forensic beds at western state hospital to three hundred thirty and the number of forensic beds at eastern state hospital to one hundred twenty-five. Pursuant to chapter 7, Laws of 2015 1st sp. sess. (2E2SSB

- 5177) (timeliness of competency treatment and evaluation services), the department may contract some of these amounts for services at alternative locations if the secretary determines that there is a need.
- (e) \$2,349,000 of the general fund—state appropriation for fiscal year 2016 and \$2,318,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of efforts to improve the timeliness of competency evaluation services for individuals who are in local jails pursuant to chapter 5, Laws of 2015 (SSB 5889) (timeliness of competency treatment and evaluation services). This funding must be used solely to increase the number of staff providing competency evaluation services.
- (f) Within the amounts provided in this subsection, funding is provided for the department of social and health services to contract with an academic or other independent consultant to conduct a workload study in accordance with the following:
- (i) The study must examine the current clinical role of psychiatrists at the state psychiatric hospitals with respect to patients who are the subject of both forensic and civil commitment. The study must assess and analyze how psychiatrists at the hospitals provide clinical services to patients, including use of their time and the nature of the clinical activities they perform. The analyses are intended to result in the development of a system for determining staffing needs so that psychiatrists are able to provide quality services while meeting appropriate national and state hospital accreditation standards.
- (ii) The study must examine the applicability of alternative clinical care models, including the use of interdisciplinary health care teams comprising clinical and nonclinical staff to provide comprehensive psychiatric treatment and management for state psychiatric hospital patients.
- (iii) The study must collect information from psychiatrists to identify factors other than compensation that are negatively impacting job retention and identify recommendations for addressing these issues.
- (iv) The independent consultant shall report to the department, the office of financial management, and relevant legislative policy and fiscal committees on the consultant's findings and recommendations by December 1, 2015.

(3) SPECIAL PROJECTS General Fund—State Appropriation (FY 2016) ... \$477,000 General Fund—State Appropriation (FY 2017) ... \$490,000 General Fund—Federal Appropriation ... \$6,291,000 TOTAL APPROPRIATION ... \$7.258,000

The appropriations in this subsection are subject to the following conditions and limitations: \$446,000 of the general fund—state appropriation for fiscal year 2016, \$446,000 of the general fund—state appropriation for fiscal year 2017, 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.

(4) PROGRAM SUPPORT

General Fund—State Appropriation (FY 2016)	\$9,033,000
General Fund—State Appropriation (FY 2017)	\$8,767,000
General Fund—Federal Appropriation	. \$11,472,000
General Fund—Private/Local Appropriation	\$502,000
TOTAL APPROPRIATION	. \$29,774,000

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 2016 and 2017 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) 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, 2015, and again at least sixty days prior to implementation of new capitation rates.
- (c) 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 settlement agreement in *T.R. v. Dreyfus and Porter*.

Sec. 204 is partially vetoed. See message at end of chapter.

NEW SECTION. Sec. 205. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—DEVELOPMENTAL DISABILITIES PROGRAM

(1) COMMUNITY SERVICES

(1) COMMONT I BERVICES	
General Fund—State Appropriation (FY 2016)	\$507,106,000
General Fund—State Appropriation (FY 2017)	\$551,660,000
General Fund—Federal Appropriation	\$1,067,621,000
General Fund—Private/Local Appropriation	\$534,000
TOTAL APPROPRIATION	\$2,126,921,000

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 \$225 per bed beginning in fiscal year 2016 and \$225 per bed beginning in fiscal year 2017. 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 \$106 per bed beginning in fiscal year 2016 and \$106 per bed beginning in fiscal year 2017.
- (iii) The current annual renewal license fee for nursing facilities shall be \$359 per bed beginning in fiscal year 2016 and \$359 per bed beginning in fiscal year 2017.
- (c) \$8,571,000 of the general fund—state appropriation for fiscal year 2016, \$18,181,000 of the general fund—state appropriation for fiscal year 2017, and \$33,427,000 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 under the provisions of chapters 74.39A and 41.56 RCW for the 2015-2017 fiscal biennium.
- (d) 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.
- (e) \$774,000 of the general fund—state appropriation for fiscal year 2016, \$1,547,000 of the general fund—state appropriation for fiscal year 2017, and \$7,185,000 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.
- (f) \$1,184,000 of the general fund—state appropriation for fiscal year 2016, \$2,483,000 of the general fund—state appropriation for fiscal year 2017, and \$4,638,000 of the general fund—federal appropriation are provided solely for the homecare agency parity impacts of the agreement between the governor and the service employees international union healthcare 775nw.
- (g) 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.
- (h) 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.

- (i) 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 sixty cents starting July 1, 2015, and by an additional sixty cents starting July 1, 2016.
- (j) The department of social and health services shall standardize the administrative rate for community residential service businesses providing supported living, group home, and licensed staff residential services for people with developmental disabilities starting July 1, 2015.
- (k) Community residential cost reports that are submitted by or on behalf of contracted agency providers are required to include information about agency staffing including health insurance, wages, number of positions, and turnover.
- (l) Within the amounts provided in this subsection, the developmental disabilities administration must prepare a report that describes options for modifying the current system of pre-vocational services for individuals with developmental disabilities. The developmental disabilities administration must not transition clients receiving pre-vocational services into integrated settings until the conclusion of the 2016 legislative session, unless there is a group supported employment, individual employment, or community access opportunity that is supported by the client and his or her legal representative. If a client transitions out of a congregate setting prior to December 1, 2016, then for each client, during the period before and after leaving the congregate setting, the report must describe the hours of service, hours worked, hourly wage, monthly earnings, authorized waiver services, and per capita expenditures. The report must be submitted to the appropriate fiscal and policy committees of the legislature by January 1, 2016. At a minimum, the report must describe the following options:
- (i) Modify the current system to ensure compliance with rules established by the centers for medicare and medicaid services;
 - (ii) Continue the current system without federal matching funds; and
- (iii) Transition clients out of congregate settings and into integrated settings. Under this option, the report must describe an anticipated phase-out schedule and medicaid waiver services that could be authorized to mitigate the impact for transitioning clients.
- (m) The department shall establish new rules and standards to ensure that adult family homes are monitored and licensed to meet the needs of young adults with a developmental disability. These adult family homes may require a package of services including specialized care assessment and planning, personal care, specialized environmental features, and accommodations.
- (n) \$650,000 of the general fund—state appropriation for fiscal year 2016, \$650,000 of the general fund—state appropriation for fiscal year 2017, and \$800,000 of the general fund—federal appropriation are provided solely for the development and implementation of eight enhanced respite beds across the state for children. These services are intended to provide families and caregivers with

a break in caregiving, the opportunity for behavioral stabilization of the child, and the ability to partner with the state in the development of an individualized service plan that allows the child to remain in his or her family home. The department must provide the legislature with a respite utilization report by January 2, 2016, and each year thereafter that provides information about the number of children who have used enhanced respite in the preceding year, as well as the location and number of days per month that each respite bed was occupied.

(o) \$550,000 of the general fund—state appropriation for fiscal year 2016, \$550,000 of the general fund—state appropriation for fiscal year 2017, and \$700,000 of the general fund—federal appropriation are provided solely for the development and implementation of eight community respite beds across the state for adults. These services are intended to provide families and caregivers with a break in caregiving and the opportunity for stabilization of the individual in a community-based setting as an alternative to using a residential habilitation center to provide planned or emergent respite. The department must provide the legislature with a respite utilization report by January 2, 2016, and each year thereafter that provides information about the number of individuals who have used community respite in the preceding year, as well as the location and number of days per month that each respite bed was occupied.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation (FY 2016)	\$95,196,000
General Fund—State Appropriation (FY 2017)	\$97,134,000
General Fund—Federal Appropriation	. \$180,106,000
General Fund—Private/Local Appropriation	\$23,041,000
TOTAL APPROPRIATION	. \$395,477,000

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 2016 and \$721,000 of the general fund—state appropriation for fiscal year 2017 are for the department to fulfill its contracts with the school districts under chapter 28A.190 RCW to provide transportation, building space, and other support services as are reasonably necessary to support the educational programs of students living in residential habilitation centers.
- (c) \$558,000 of the general fund—state appropriation for fiscal year 2016, \$558,000 of the general fund—state appropriation for fiscal year 2017, and \$1,074,000 of the general fund—federal appropriation are for specialized services required by the centers for medicare and medicaid services as a result of preadmission screening and resident review assessments.
- (d) \$2,978,000 of the general fund—state appropriation for fiscal year 2016, \$2,978,000 of the general fund—state appropriation for fiscal year 2017, and \$5,956,000 of the general fund—federal appropriation are for additional staff to ensure compliance with centers for medicare and medicaid services

requirements for habilitation, nursing care, staff safety, and client safety at the residential habilitation centers.

- (e) The residential habilitation centers 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.
- (f) \$100,000 of the general fund—state appropriation for fiscal year 2016, \$100,000 of the general fund—state appropriation for fiscal year 2017, and \$200,000 of the general fund—federal appropriation are provided solely for respite services in an existing eight-bed cottage at Yakima valley school for individuals who are developmentally disabled and in need of crisis stabilization support.

(3) PROGRAM SUPPORT General Fund—State Appropriation (FY 2016) General Fund—State Appropriation (FY 2017) General Fund—Federal Appropriation TOTAL APPROPRIATION	
(4) SPECIAL PROJECTS General Fund—State Appropriation (FY 2016) General Fund—State Appropriation (FY 2017) General Fund—Federal Appropriation TOTAL APPROPRIATION	\$1,403,000 \$1,206,000
NEW SECTION. Sec. 206. FOR THE DEPARAND HEALTH SERVICES—AGING AND	
AND HEALTH SERVICES—AGING AND PROGRAM	ADULT SERVICES
AND HEALTH SERVICES—AGING AND PROGRAM General Fund—State Appropriation (FY 2016)	ADULT SERVICES \$923,349,000
AND HEALTH SERVICES—AGING AND PROGRAM General Fund—State Appropriation (FY 2016) General Fund—State Appropriation (FY 2017)	ADULT SERVICES \$923,349,000\$1,005,649,000
AND HEALTH SERVICES—AGING AND PROGRAM General Fund—State Appropriation (FY 2016)	ADULT SERVICES\$923,349,000\$1,005,649,000\$2,376,289,000
AND HEALTH SERVICES—AGING AND PROGRAM General Fund—State Appropriation (FY 2016)	ADULT SERVICES\$923,349,000\$1,005,649,000\$2,376,289,000\$33,990,000
AND HEALTH SERVICES—AGING AND PROGRAM General Fund—State Appropriation (FY 2016)	ADULT SERVICES \$923,349,000 \$1,005,649,000 \$2,376,289,000 \$33,990,000 \$3,396,000
AND HEALTH SERVICES—AGING AND PROGRAM General Fund—State Appropriation (FY 2016)	ADULT SERVICES \$923,349,000\$1,005,649,000\$2,376,289,000\$33,990,000\$33,396,000\$133,360,000

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 \$178.87 for fiscal year 2016 and shall not exceed \$191.87 for fiscal year 2017, including the rate add-ons described in (a), (b), and (g) of this subsection. There will be no adjustments for economic trends and conditions in fiscal years 2016 and 2017. 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

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or compounded to the component rate allocations established in accordance with chapter 74.46 RCW.

- (a) For fiscal year 2016 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 2016 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 dollarsper-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, 2015, 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 the comparative add-on, subsection, acuity add-on, reimbursement, to the facility-based payment rates in effect June 30, 2010. For fiscal year 2016, if the facility-based payment rate calculated on July 1, 2015, 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, for fiscal year 2016, 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 addon 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 addon, 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), (d), (g), and the fiscal year 2016 additional add-on in (a) of this subsection do not apply.

- (g) For fiscal year 2016, 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 2016 and no new certificates of capital authorization for fiscal year 2017 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 2016 and 2017.
- (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 \$225 per bed beginning in fiscal year 2016 and \$225 per bed beginning in fiscal year 2017. 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 \$106 per bed beginning in fiscal year 2016 and \$106 per bed beginning in fiscal year 2017.
- (c) The current annual renewal license fee for nursing facilities shall be \$359 per bed beginning in fiscal year 2016 and \$359 per bed beginning in fiscal year 2017.
- (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) \$19,747,000 of the general fund—state appropriation for fiscal year 2016, \$41,807,000 of the general fund—state appropriation for fiscal year 2017, and \$76,770,000 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 under the provisions of chapters 74.39A and 41.56 RCW for the 2015-2017 fiscal biennium.
- (6) \$1,840,000 of the general fund—state appropriation for fiscal year 2016 and \$1,877,000 of the general fund—state appropriation for fiscal year 2017 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) \$2,447,000 of the general fund—state appropriation for fiscal year 2016, \$4,894,000 of the general fund—state appropriation for fiscal year 2017, and \$22,725,000 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) \$7,552,000 of the general fund—state appropriation for fiscal year 2016, \$15,974,000 of the general fund—state appropriation for fiscal year 2017, and \$29,742,000 of the general fund—federal appropriation are provided solely for the homecare agency parity impacts of the agreement between the governor and the service employees international union healthcare 775nw.
- (10) Within the amounts appropriated in this section of the general fund—state appropriation for fiscal years 2016 and 2017, the department shall assist the legislature to continue 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 continued, 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;
- (v) A member from disability rights Washington and a member from the long-term care ombuds;
- (vi) The insurance commissioner or his or her designee, who shall serve as an ex officio member; and
 - (vii) Other agency directors or designees as necessary.
- (b) The committee must make recommendations and continue 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) Identify strategies to better serve the health care needs of an aging population and people with disabilities to promote healthy living and palliative care planning;
- (ii) Identify policy options to create financing mechanisms for long-term service and supports that allow individuals and families to meet their needs for service:
- (iii) 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;
- (iv) Identify implementation strategies for the Bree collaborative palliative care and related guidelines;
- (v) Review the regulation of continuing care retirement communities and ways to protect those who reside in them, including the consideration of effective disclosures to residents;

- (vi) Identify the needs of older people and people with disabilities for high quality public and private guardianship services and information about assisted decision-making options;
- (vii) Identify options for promoting client safety through residential care services and consider methods of protecting older people and people with disabilities from physical abuse and financial exploitation; and
- (viii) Identify other policy options and recommendations to help communities adapt to the aging demographic in planning for housing, land use, and transportation.
- (c) 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.
- (d) 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.
- (e) At least one committee meeting must be devoted to a discussion of strategies to improve the quality of care, client safety and well-being, and staff safety within all community and institutional settings. During the meeting, committee members must receive a comprehensive review of findings since fiscal year 2010 by the centers for medicare and medicaid services, and residential care services, in community settings, nursing homes, and each of the residential habilitation centers, with an emphasis on medical errors, inconsistencies between service plans and services provided, the use of restraints, and existence of hazardous environmental conditions.
- (f) The committee shall issue an addendum report to the legislature by December 10, 2015, and issue final recommendations to the governor and relevant standing committees of the legislature by December 10, 2016. The addendum report to the legislature must include the following:
- (i) A description of the oversight role for residential care services, the long-term care ombuds, the centers for medicare and medicaid services, and disability rights Washington;
- (ii) From the provider perspective, and the perspective of a state agency, an overview of the process for reviewing and responding to findings by residential care services and the centers for medicare and medicaid services;
- (iii) A description of the process for notifying the office of the governor and the legislature when problems with quality of care, client safety and well-being, or staff safety arise within community or institutional settings;
- (iv) A compilation of findings since fiscal year 2010 by the centers for medicare and medicaid services, and residential care services, at the residential habilitation centers, nursing facilities, supported living, assisted living, group homes, companion homes, adult family homes, and all other community based providers;

- (v) An annotated and detailed list of all responses to findings by the centers for medicare and medicaid services, and residential care services, specific to audits of the nursing facility at lakeland village since fiscal year 2010;
- (vi) Review the regulation of continuing care retirement communities and ways to protect those who reside in them, including the consideration of effective disclosures to residents;
- (vii) Identify the needs of older people and people with disabilities for high quality public and private guardianship services and information about assisted decision-making options;
- (viii) Identify options for promoting client safety through residential care services and consider methods of protecting older people and people with disabilities from physical abuse and financial exploitation; and
- (ix) A description of the method in place to ascertain the outcome of responses to findings.
- (11) \$5,094,000 of the general fund—state appropriation for fiscal year 2016 and \$5,094,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for services and support to individuals who are deaf, hard of hearing, or deaf-blind.
- (12) 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.
- (13) 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.
- (14)(a) \$100,000 of the general fund—state appropriation for fiscal year 2016, \$100,000 of the general fund—private/local appropriation, and \$200,000 of the general fund—federal appropriation are provided solely for the department of social and health services to contract for an independent feasibility study and actuarial modeling of public and private options for leveraging private resources to help individuals prepare for long-term services and supports needs. The study must model two options: (i) A public long-term care benefit for workers, funded through a payroll deduction that would provide a time-limited long-term care insurance benefit; and (ii) a public-private reinsurance or risk-sharing model, with the purpose of providing a stable and ongoing source of reimbursement to insurers for a portion of their catastrophic long-term services and supports losses in order to provide additional insurance capacity for the state.
- (b) The report must include input from the joint committee on aging and disability and other interested stakeholders. The report must also include an analysis of each option based on: (i) The expected costs and benefits for participants; (ii) the total anticipated number of participants; (iii) the projected

savings to the state medicaid program, if any; and (iv) legal and financial risks to the state.

- (c) The department must provide status updates to the joint legislative executive committee on aging and disability. The feasibility study and actuarial analysis shall be completed and submitted to the department of social and health services by December 20, 2016. The department shall submit a report, including the director's findings and recommendations based on the feasibility study and actuarial analysis, to the governor and the legislature by January 1, 2017.
- (15) \$6,195,000 of the general fund—state appropriation for fiscal year 2016, \$13,195,000 of the general fund—state appropriation for fiscal year 2017, and \$20,288,000 of the general fund—federal appropriation are provided solely to implement House Bill No. 1274 (nursing home payment rates). If the bill is not enacted by July 10, 2015, the amounts in this subsection shall lapse.
- (16) Within available funds, the aging and long term support administration must create a unit within adult protective services that specializes in the investigation of financial abuse allegations and self-neglect allegations.
- (17) \$58,000 of the general fund—state appropriation for fiscal year 2016, \$58,000 of the general fund—state appropriation for fiscal year 2017, and \$114,000 of the general fund—federal appropriation are provided solely to implement Substitute Senate Bill No. 5877 (due process for adult family homes).

<u>NEW SECTION.</u> Sec. 207. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ECONOMIC SERVICES PROGRAM

General Fund—State Appropriation (FY 2016)	\$408,958,000
General Fund—State Appropriation (FY 2017)	\$445,239,000
General Fund—Federal Appropriation	\$1,272,294,000
General Fund—Private/Local Appropriation	\$1,950,000
TOTAL APPROPRIATION	\$2.128.441.000

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

- (1)(a) \$168,201,000 of the general fund—state appropriation for fiscal year 2016, \$194,020,000 of the general fund—state appropriation for fiscal year 2017, and \$738,086,000 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 and no later than December 2015.
- (b) \$316,849,000 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) \$170,923,000 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) \$426,750,000 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).
- (e) \$163,558,000 of the amounts in (a) of this subsection are provided solely for WorkFirst and working connections child care administration and overhead.
- (f) \$41,000,000 of the general fund—state appropriation for fiscal year 2016 and \$22,040,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of Engrossed Second Substitute House Bill No. 1491 (early care and education system). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection (1)(f) shall lapse.
- (g) The amounts in (b) through (d) 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) of this subsection. 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 2016 and \$1,657,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for naturalization services.
- (3) \$2,366,000 of the general fund—state appropriation for fiscal year 2016 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 2017 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, 2015, 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 one hundred percent of the federal supplemental nutrition assistance program benefit amount.
- (6) 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.
- (7) 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 outstationing department of veterans' affairs staff in selected community service office locations in King and Pierce counties to facilitate applications for veterans' services.

$\underline{\text{NEW SECTION.}}$ Sec. 208. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ALCOHOL AND SUBSTANCE ABUSE PROGRAM

General Fund—State Appropriation (FY 2016)	54,766,000
General Fund—State Appropriation (FY 2017)\$6	
General Fund—Federal Appropriation\$43	52,441,000
General Fund—Private/Local Appropriation	20,211,000
Criminal Justice Treatment Account—State	
Appropriation	1,978,000
Problem Gambling Account—State Appropriation	31,453,000
Dedicated Marijuana Account—State Appropriation	
(FY 2016)	0,736,000
Dedicated Marijuana Account—State Appropriation	
(FY 2017)	24,802,000
TOTAL APPROPRIATION	1,281,000

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; and (b) indirect charges for administering the program shall not exceed ten percent of the total contract amount.
- (2) 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 2016 and 2017 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.

- (3) \$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.
- (4) \$421,000 of the general fund—state appropriation for fiscal year 2016, \$873,000 of the general fund—state appropriation for fiscal year 2017, and \$1,787,000 of the general fund—federal appropriation are provided solely for implementation of chapter 50, Laws of 2015 (E2SHB 1450) (involuntary outpatient treatment). The department must use these amounts for increases in alcohol and substance abuse treatment associated with implementation of the bill.
- (5) \$200,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and \$200,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for a contract with the Washington state institute for public policy to conduct cost-benefit evaluations of the implementation of chapter 3, Laws of 2013 (Initiative Measure No. 502).
- (6) \$500,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and \$500,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely to design and administer the Washington state healthy youth survey and the Washington state young adult behavioral health survey.
- (7) \$395,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and \$396,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for increasing services to pregnant and parenting women provided through the parent child assistance program.
- (8) \$250,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and \$250,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for a grant to the office of superintendent of public instruction to provide life skills training to children and youth in schools that are in high needs communities.
- (9) \$386,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and \$386,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely to increase prevention and treatment services provided by tribes to children and youth.
- (10) \$683,000 of the dedicated marijuana account—state appropriation for fiscal year 2016, \$2,684,000 of the dedicated marijuana account—state appropriation for fiscal year 2017, and \$1,900,000 of the general fund—federal appropriation are provided solely to increase residential treatment services for children and youth.
- (11) \$250,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and \$250,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for training and technical

assistance for the implementation of evidence based, research based, and promising programs which prevent or reduce substance use disorders.

- (12) \$1,000,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and \$2,434,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for expenditure into the home visiting services account.
- (13) \$3,278,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 is provided solely for a memorandum of understanding with the department of social and health services juvenile rehabilitation administration to provide substance abuse treatment programs for juvenile offenders. Of the amounts provided in this subsection:
- (a) \$1,130,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 is provided solely for alcohol and substance abuse treatment programs for locally-committed offenders. The juvenile rehabilitation administration shall award these funds as described in section 203(3) of this act.
- (b) \$282,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 is provided solely for the expansion of evidence-based treatments and therapies as described in section 203(4) of this act.
- (14) \$2,500,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and \$2,500,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for grants to community-based programs that provide prevention services or activities to youth, including programs for school-based resource officers. These funds must be utilized in accordance with RCW 69.50.540.
- (15) \$54,000 of the general fund—state appropriation for fiscal year 2016, \$252,000 of the general fund—state appropriation for fiscal year 2017, and \$2,232,000 of the general fund—federal appropriation are provided for regional support networks to provide outpatient chemical dependency treatment for offenders enrolled in the medicaid program who are supervised by the department of corrections pursuant to a term of community supervision. Effective April 1, 2016, contracts with regional support networks must require that regional support networks include in their provider network specialized expertise in the provision of manualized, evidence-based chemical dependency treatment services for offenders. The department of corrections and the department of social and health services must develop a memorandum of understanding for department of corrections offenders on active supervision who are medicaid eligible and meet medical necessity for outpatient substance use disorder treatment. The agreement will ensure that treatment services provided are coordinated, do not result in duplication of services, and maintain access and quality of care for the individuals being served. The department of social and health services must provide all necessary data, access, and reports to the department of corrections for all department of corrections offenders that receive medicaid paid services.
- (16) During the 2015-2017 fiscal biennium, any amounts provided in this section that are used for case management services for pregnant and parenting women must be contracted directly between the department and providers rather than through contracts with behavioral health organizations. By December 1, 2016, the department must provide a report to the office of financial management and the appropriate committees of the legislature on the readiness

for behavioral health organizations to assume the contracts for case management services for pregnant and parenting women.

- (17) \$100,000 of the general fund—state appropriation for fiscal year 2016 and \$100,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for parenting education services focused on pregnant and parenting women.
- (18) Within existing appropriations, the department shall prioritize the prevention and treatment of intravenous opiate-based drug use.
- (19) \$1,110,000 of the general fund—federal appropriation is provided solely for a contract with the University of Washington for research on the short and long-term effects of marijuana use.
- (20) \$740,000 of the general fund—federal appropriation is provided solely for a contract with the Washington State University for research on the short and long-term effects of marijuana use.

NEW SECTION. Sec. 209. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—VOCATIONAL REHABILITATION PROGRAM

General Fund—State Appropriation (FY 2016)	396,000
General Fund—State Appropriation (FY 2017)	124,000
General Fund—Federal Appropriation	251,000
TOTAL APPROPRIATION \$125,5	571,000

<u>NEW SECTION.</u> Sec. 210. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—SPECIAL COMMITMENT PROGRAM

General Fund—State Appropriation (FY 2016)	\$37,680,000
General Fund—State Appropriation (FY 2017)	\$37,266,000
TOTAL APPROPRIATION	\$74 946 000

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

- (1) \$78,000 of the general fund—state appropriation for fiscal year 2016 and \$78,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to implement House Bill No. 1059 (sexually violent predators).
- (2) The department shall review its current food services for the special commitment center for opportunities to consolidate and centralize, emphasizing opportunities for increased efficiency. The department shall consider consolidating and centralizing the department's institutional food service by examining: (a) Consistent daily meals across institutions; (b) off-site meal preparation and cook-chill meals; and (c) increased use of the department of correction's correctional industries institutional food service. Any food service improvements must account for special diets and consistency with established dietary intakes of the food and nutrition board of the national research council.
- (3) Within the amounts provided in this section, the special commitment center must explore entering into an interagency agreement with the University of Washington. The interagency agreement would allow the department to receive drug pricing under 340B of the public health services act for drug purchases associated with treating patients with hepatitis C or other diseases, whereby the university is acting as the covered entity or safety-net provider. In cooperation with the University of Washington, the special commitment center must provide an estimate of the fiscal impact of a successful agreement of this

nature, to be included in the report provided to the legislature under section 606 of this act.

(4) The special commitment center may use funds appropriated in this subsection to purchase goods and supplies through hospital group purchasing organizations when it is cost-effective to do so.

<u>NEW SECTION.</u> Sec. 211. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ADMINISTRATION AND SUPPORTING SERVICES PROGRAM

General Fund—State Appropriation (FY 2016)	\$32,668,000
General Fund—State Appropriation (FY 2017)	\$33,667,000
General Fund—Federal Appropriation	\$38,282,000
General Fund—Private/Local Appropriation	\$654,000
TOTAL APPROPRIATION	105,271,000

The appropriations in this section are subject to the following conditions and limitations: \$300,000 of the general fund—state appropriation for fiscal year 2016 and \$300,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a Washington state mentoring organization to continue its public-private partnerships to provide technical assistance and training to mentoring programs that serve at-risk youth.

<u>NEW SECTION.</u> Sec. 212. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—PAYMENTS TO OTHER AGENCIES PROGRAM

General Fund—State Appropriation (FY 2016)	\$64,440,000
General Fund—State Appropriation (FY 2017)	\$61,766,000
General Fund—Federal Appropriation	\$53,238,000
TOTAL APPROPRIATION	\$179 444 000

The appropriations in this section are subject to the following conditions and limitations: \$8,000 of the general fund—state appropriation for fiscal year 2017 is provided solely to implement chapter 240, Laws of 2015 (extended foster care).

<u>NEW SECTION.</u> Sec. 213. FOR THE STATE HEALTH CARE AUTHORITY

During the 2015-2017 fiscal biennium, the health care authority shall provide support and data as required by the office of the state actuary in providing the legislature with health care actuarial analysis, including providing any information in the possession of the health care authority or available to the health care authority through contracts with providers, plans, insurers, consultants, or any other entities contracting with the health care authority.

Information technology projects and proposed projects for time capture, payroll and payment processes, and eligibility and authorization systems within the health care authority are subject to technical oversight by the office of the chief information officer.

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.

(1) MEDICAL ASSISTANCE	
General Fund—State Appropriation (FY 2016)	\$1,937,491,000
General Fund—State Appropriation (FY 2017)	\$1,934,895,000
General Fund—Federal Appropriation	\$11,559,063,000
General Fund—Private/Local Appropriation	
Emergency Medical Services and Trauma Care System	ns
Trust Account—State Appropriation	\$15,086,000
Hospital Safety Net Assessment Account—State	
Appropriation	\$689,942,000
Medicaid Fraud Penalty Account—State Appropriatio	n \$18,491,000
State Health Care Authority Administration Account—	_
State Appropriation	
Medical Aid Account—State Appropriation	\$528,000
Dedicated Marijuana Account—State Appropriation (FY 2016) \$5,351,000
Dedicated Marijuana Account—State Appropriation (FY 2017) \$12,520,000
TOTAL APPROPRIATION	\$16,251,776,000

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

- (a) Sufficient amounts are appropriated in this subsection to implement the medicaid expansion as defined in the social security act, section 1902(a)(10)(A)(i)(VIII).
- (b) 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.
- (c) 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.
- (d) 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.

- (e) 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.
- (f) 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.
- (g) \$4,261,000 of the general fund—state appropriation for fiscal year 2016, \$4,261,000 of the general fund—state appropriation for fiscal year 2017, and \$8,522,000 of the general fund—federal appropriation are provided solely for low-income disproportionate share hospital payments.
- (h) 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.
- (i) \$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.
- (j) The health care authority shall continue the inpatient hospital certified public expenditures program for the 2015-2017 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, 2015, and by November 1, 2016, 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 2016 and fiscal year 2017, 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 2015-2017 biennial operating appropriations act and in effect on July 1, 2015, (b) onehalf 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 2015-2017 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. \$16,664,000 of the general fund—state appropriation for fiscal year 2016 and \$8,170,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for state grants for the participating hospitals.

- (k) 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.
- (l) 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.
- (m) 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 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.

- (n) 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.
- (o) \$88,000 of the medicaid fraud penalty account—state appropriation and \$567,000 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.
- (p) Sufficient amounts are appropriated in this section for the authority to provide an adult dental benefit.
- (q) The health care 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 medicaid.
- (r) To facilitate a single point of entry across public and medical assistance programs, and to maximize the use of federal funding, the health care authority, the department of social and health services, and the health benefit exchange will coordinate efforts to expand HealthPlanfinder access to public assistance and medical eligibility staff. No later than October 1, 2015, the health care authority shall complete medicaid applications in the HealthPlanfinder for households receiving or applying for medical assistance benefits.
- (s) \$90,000 of the general fund—state appropriation for fiscal year 2016, \$90,000 of the general fund—state appropriation for fiscal year 2017, 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.
- (t) 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.
- (u) Within the amounts appropriated in this section, the authority shall reimburse for primary care services provided by naturopathic physicians.
- (v) Within the amounts appropriated in this section, the authority shall continue to provide coverage 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.
- (w) 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 classic medicaid benefit plan.
- (x) \$227,000 of the general fund—state appropriation for fiscal year 2016, \$461,000 of the general fund—state appropriation for fiscal year 2017, and \$734,000 of the general fund—federal appropriation are provided solely to

implement Substitute Senate Bill No. 5317 (enhanced autism screening - bright futures).

- (y) \$4,278,000 of the general fund—private/local appropriation and \$9,835,000 of the general fund—federal appropriation are provided solely to implement House Bill No. 2007 (emergency medical transportation).
- (z) Within amounts appropriated in this section, the health care authority shall conduct a review of its adult dental program in cooperation with and utilizing resources from Washington dental services foundation. The authority shall develop a plan to implement an expanded oral health care program for adults with diabetes and pregnant women. A report summarizing the authority's implementation plan and an estimation of cost savings must be submitted to the governor and the appropriate committees of the legislature by December 1, 2015.
- (aa) No more than \$1,175,000 of the general fund—state appropriation for fiscal year 2016 may be expended for reimbursement for nonhospital based rural health clinics auditing costs to complete annual payment reconciliations for calendar years 2011-2013 as required under 42 U.S.C. Sec. 1396a (bb)(5)(A). The department shall use the agreed-upon procedures to complete the reconciliations. Nonhospital-based clinics shall be reimbursed for the cost of auditing using the agreed-upon procedures for payment reconciliation for this time period only.
- (bb) The appropriations in this section represent a transfer of expenditure authority of \$2,333,000 of the general fund—federal appropriation for fiscal year 2016 and \$1,782,000 of the general fund—federal appropriation for fiscal year 2017 to the office of financial management to implement Engrossed Substitute Senate Bill No. 5084 (all payer claims database).
- (cc) Pursuant to RCW 41.06.142(3), the authority shall implement a pilot program within existing resources to understand the nature and depth of potential fraud, waste, and abuse and the creation of operational efficiencies within the provider and beneficiary system. The pilot program shall examine streamlining provider enrollment and compliance within the current affordable care act screening requirements and include a post-enrollment review of those currently enrolled in medicaid to determine if there have been changes in demographics, including but not limited to becoming deceased, incarcerated, or residing out of state. The pilot program shall be conducted by the authority in partnership with a third-party vendor that uses national public records data as well as provider-specific data. The authority shall prepare a report to the governor and legislative fiscal committees by December 15, 2015.
- (dd) Within amounts appropriated in this section, the health care authority shall conduct a review of its federally qualified health center encounter rates and rural health center encounter rates in comparison to current uniform medical plan rates for the same or similar services. The authority shall consult with the centers for medicare and medicaid services to determine whether federally qualified encounter rates may be adjusted to uniform medical plan rates as a reasonable proxy to cost. The authority must submit a report to the governor and the appropriate committees of the legislature that includes which encounter rates exceed uniform medical rates, the amount by which the rates are exceeded, and the annual cost of paying above uniform medical rates. The report shall also include the steps the authority has taken with the centers for medicare and

medicaid services to ensure that rates bear a reasonable relationship to costs incurred by efficiently and economically operated facilities, including whether uniform medical plan or commercial rates may be considered a reasonable proxy to cost. The report must be submitted by January 1, 2016.

- (ee) \$1,035,000 of the general fund—state appropriation for fiscal year 2016, \$965,000 of the general fund—state appropriation for fiscal year 2017, and \$1,846,000 of the general fund—federal appropriation are provided solely for customer service staff to reduce call wait times and improve the number of calls answered by the authority.
- (ff) \$386,000 of the general fund—state appropriation for fiscal year 2016, \$361,000 of the general fund—state appropriation for fiscal year 2017, and \$2,018,000 of the general fund—federal appropriation are provided solely for additional staff to support timely resolution of eligibility-related issues for medicaid clients.
- (gg)(i) \$123,000 of the general fund—state appropriation for fiscal year 2016, \$118,000 of the general fund—state appropriation for fiscal year 2017, \$48,000 of the state health care authority administrative account—state appropriation, and \$312,000 of the general fund—federal appropriation are provided solely to establish the bleeding disorder collaborative for care.
- (ii) The collaborative must consist of three representatives from the authority, three representatives from the largest organization in Washington representing patients with bleeding disorders, two representatives from state designated bleeding disorder centers of excellence, and two representatives of federally funded hemophilia treatment centers based in Washington. The collaborative may invite the participation of other persons with expertise that may assist the collaborative in its responsibilities. The collaborative shall adopt a transparent process that allows for public comment prior to the final adoption of any evidence-based practice.
 - (iii) The collaborative shall:
- (A) Identify and develop evidence-based practices to improve care to patients with bleeding disorders with specific attention to health care cost reduction. To the extent that evidence-based practices are unavailable, the collaborative shall research and create the practices or compile the necessary information. In the event that research on evidence is incomplete, the collaborative may consider research-based practices or emerging best practices;
- (B) Make recommendations regarding the dissemination of the evidencebased practices to relevant health care professionals and support service providers and propose options for incorporating evidence-based practices into their treatment regimens; and
- (C) Assist the authority in the development of a cost-benefit analysis regarding the use of evidence-based practices for specific populations in state-purchased health care programs.
- (iv) The authority shall report to the governor and the legislature by September 1, 2016, regarding the evidence-based practices that have been developed, the clinical and fiscal implications of their implementation, and a strategy for disseminating the practices and incorporating their use among health care professionals in various state-financed health care programs.
- (hh) The authority shall use revenue appropriated from the dedicated marijuana fund for contracts with community health centers under RCW

69.50.540 in lieu of general fund—state payments to community health centers for services provided to medical assistance clients, and it is the intent of the legislature that this policy will be continued in subsequent fiscal biennia.

(2) PUBLIC EMPLOYEES BENEFITS BOARD AND EMPLOYEE BENEFITS PROGRAMS

State Health Care Authority Administration Account—

The appropriation in this subsection is subject to the following conditions and limitations: \$162,000 of the state health care authority administration account—state appropriation is for the health care authority to work with participating employers to minimize employer penalties that may be incurred by employers not providing health benefit coverage for part-time employees that are defined as full-time employees under the employer shared responsibility provisions of the federal affordable care act.

(3) HEALTH BENEFIT EXCHANGE

General Fund—State Appropriation (FY 2016)	\$5,872,000
General Fund—State Appropriation (FY 2017)	\$5,146,000
General Fund—Federal Appropriation	
Health Benefit Exchange Account—State Appropriation	. \$58,567,000
TOTAL APPROPRIATION	\$110.012.000

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

- (a) The receipt and use of medicaid funds provided to the health benefit exchange from the health care authority are subject to compliance with state and federal regulations and policies governing the Washington apple health programs, including timely and proper application, eligibility, and enrollment procedures.
- (b) \$4,755,000 of the health benefit exchange account—state appropriation and \$5,069,000 of the general fund—federal appropriation are provided solely for the customer service call center.
- (c) \$577,000 of the general fund—state appropriation for fiscal year 2016, \$810,000 of the general fund—state appropriation for fiscal year 2017, \$3,606,000 of the health benefit exchange account—state appropriation, and \$1,389,000 of the general fund—federal appropriation are provided solely for inperson assisters to help individuals and families complete applications for health coverage.
- (d) \$1,417,000 of the health benefit exchange account—state appropriation and \$8,218,000 of the general fund—federal appropriation are provided solely to fund the design, development, implementation, operation, and maintenance of the health benefit exchange's information technology systems.
- (e) The authority shall require the exchange to submit to the authority and the appropriate committees of the legislature by September 30, 2015, and September 30, 2016, a detailed report including:
- (i) Salaries of all current employees of the exchange, including starting salary, any increases received, and the basis for any increases; and
 - (ii) Salary, overtime, and compensation policies for staff of the exchange.

- (f) The authority shall require the exchange to submit to the authority and the appropriate committees of the legislature on a monthly basis:
 - (i) A report of all expenses; and
 - (ii) Beginning and ending fund balances, by fund source; and
 - (iii) Any contracts or contract amendments signed by the exchange; and
- (iv) An accounting of staff required to operate the exchange broken out by

full time equivalent positions, contracted employees, tempora other relevant designation that indicates the staffing level of the	ry staff, and any
NEW SECTION. Sec. 214. FOR THE HUM	AN RIGHTS
COMMISSION	
General Fund—State Appropriation (FY 2016)	\$2,074,000
General Fund—State Appropriation (FY 2017)	\$2,094,000
General Fund—Federal Appropriation	\$2,308,000
TOTAL APPROPRIATION	\$6,476,000
NEW SECTION. Sec. 215. FOR THE BOARD OF	INDUSTRIAL
INSURANCE APPEALS	
Worker and Community Right-to-Know Account—State	
Appropriation	\$10,000
Accident Account—State Appropriation	
Medical Aid Account—State Appropriation	
TOTAL APPROPRIATION	
NEW SECTION. Sec. 216. FOR THE CRIMIN	NAL JUSTICE
TRAINING COMMISSION	
General Fund—State Appropriation (FY 2016)	\$18,478,000
General Fund—State Appropriation (FY 2017)	
General Fund—Private/Local Appropriation	
Death Investigations Account—State Appropriation	
24/7 Sobriety Account—State Appropriation	
Municipal Criminal Justice Assistance Account—	ŕ
State Appropriation	\$460,000
Washington Auto Theft Prevention Authority Account—	,
State Appropriation	\$8,168,000
TOTAL APPROPRIATION	

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 2016 and \$5,000,000 of the general fund—state appropriation for fiscal year 2017, 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. The association shall use no more than \$50,000 per fiscal year of the amounts provided on program management activities.
- (2) \$558,720 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 2016 and \$100,000 of the general fund—state appropriation for fiscal year 2017 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 2016 and \$96,000 of the general fund—state appropriation for fiscal year 2017 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 2016 and \$123,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the costs of providing statewide advanced driving training with the use of a driving simulator.
- (7) \$644,000 of the general fund—state appropriation for fiscal year 2016 and \$595,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of Second Substitute Senate Bill No. 5311 (crisis intervention training).
- (8) \$250,000 of the general fund—state appropriation for fiscal year 2016 and \$250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the criminal justice training commission to develop and deliver research-based programs to instruct, guide, and support local law enforcement agencies in fostering the "guardian philosophy" of policing, which emphasizes de-escalating conflicts and reducing the use of force.
- (9) \$429,000 of the general fund—state appropriation for fiscal year 2016 and \$429,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for deposit into the nonappropriated Washington internet crimes against children account for the implementation of Second Substitute Senate Bill No. 5215 (internet crimes against children).

<u>NEW SECTION.</u> Sec. 217. FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund—State Appropriation (FY 2016)	\$16,331,000
General Fund—State Appropriation (FY 2017)	\$17,640,000
General Fund—Federal Appropriation	\$11,876,000
Asbestos Account—State Appropriation	. \$1,177,000
Electrical License Account—State Appropriation	\$48,147,000
Farm Labor Contractor Account—State Appropriation	\$28,000

Worker and Community Right-to-Know Account—	
State Appropriation	\$938,000
Public Works Administration Account—State	
Appropriation	\$6,360,000
Manufactured Home Installation Training Account—	
State Appropriation	\$355,000
Accident Account—State Appropriation	
Accident Account—Federal Appropriation	\$13,626,000
Medical Aid Account—State Appropriation	\$292,095,000
Medical Aid Account—Federal Appropriation	\$3,186,000
Plumbing Certificate Account—State Appropriation	\$1,784,000
Pressure Systems Safety Account—State	
Appropriation	\$4,250,000
TÔTAL APPROPRIATION	\$696,368,000

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

- (1) \$250,000 of the general fund—state appropriation for fiscal year 2016 and \$250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 100, Laws of 2015 (Substitute Senate Bill No. 5897).
- (2) \$2,300,000 of the medical aid account—state appropriation is provided solely for implementation of chapter 137, Laws of 2015 (Substitute House Bill No. 1496).
- (3) \$494,000 of the medical aid account—state appropriation and \$1,580,000 of the accident fund—state appropriation are provided solely for continuation of the logger safety initiative.
- (4) \$4,923,000 of the medical aid account—state appropriation and \$4,924,000 of the accident fund—state appropriation are provided solely for the first phase of the department's plan to replace its labor and industries industrial insurance information technology system subject to the same conditions, limitations, and review provided in section 705 (3) through (6) of this act.
- (5) \$3,548,000 of the electrical license account—state appropriation is provided solely for the department to develop a modern and mobile information technology system for its electrical inspection program subject to the same conditions, limitations, and review provided in section 705 (3) through (6) of this act
- (6) The department is directed under RCW 39.12.070 to adjust its fee schedule for statements of intent to pay prevailing wages and certification of affidavits of wages paid to remove or lower fees for contractors and subcontractors whose contract amounts are less than seven hundred fifty dollars beginning on January 1, 2016.

NEW SECTION. Sec. 218. FOR THE DEPARTMENT OF VETERANS AFFAIRS (1) HEADQUARTERS General Fund—State Appropriation (FY 2016). \$1,806,000 General Fund—State Appropriation (FY 2017). \$1,835,000 Charitable, Educational, Penal, and Reformatory Institutions Account—State Appropriation. \$10,000

TOTAL APPROPRIATION	\$3,651,000
(2) FIELD SERVICES	
General Fund—State Appropriation (FY 2016)	
General Fund—State Appropriation (FY 2017)	\$5,465,000
General Fund—Federal Appropriation	\$3,599,000
General Fund—Private/Local Appropriation	\$4,597,000
Veteran Estate Management Account—Private/Local	
Appropriation	\$1,154,000
TOTAL APPROPRIATION	\$20,264,000

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

- (a) \$300,000 of the general fund—state appropriation for fiscal year 2016 and \$300,000 of the general fund—state appropriation for fiscal year 2017 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.
- (b) The creation of an automated exchange of information between the federal department of defense, federal veterans administration, and the Washington department of veterans affairs is the sole project for the Washington department of veterans affairs in the information technology pool. Ongoing funding may be provided for staffing, training, and subscription costs associated with a web-based software tool that has been configured to meet the business requirements of the Washington department of veterans affairs. Additional information technology projects, such as the complete automation of the Washington department of veterans affairs business processes through an enterprise case management system, are subject to future funding decisions by the legislature. The conditions and limitations in this subsection apply only if the specified project is funded from the information technology pool.

specified project is funded from the information technology poor.	
(3) INSTITUTIONAL SERVICES	
General Fund—State Appropriation (FY 2016)	\$688,000
General Fund—State Appropriation (FY 2017)	
General Fund—Federal Appropriation	
General Fund—Private/Local Appropriation	
TOTAL APPROPRIATION	\$110,815,000
NEW SECTION. Sec. 219. FOR THE DEPARTMENT OF	F HEALTH
General Fund—State Appropriation (FY 2016)	. \$57,875,000
General Fund—State Appropriation (FY 2017)	
General Fund—Federal Appropriation	
General Fund—Private/Local Appropriation	\$151,143,000
Hospital Data Collection Account—State Appropriation	\$231,000
Health Professions Account—State Appropriation	\$115,892,000
Aquatic Lands Enhancement Account—State Appropriation	\$615,000
Emergency Medical Services and Trauma Care Systems	
Trust Account—State Appropriation	. \$11,226,000
Safe Drinking Water Account—State Appropriation	\$6,930,000
Drinking Water Assistance Account—Federal	
Appropriation	. \$15,360,000

Waterworks Operator Certification—State
Appropriation
Drinking Water Assistance Administrative Account—
State Appropriation
Site Closure Account—State Appropriation\$162,000
Biotoxin Account—State Appropriation
State Toxics Control Account—State Appropriation
Medical Test Site Licensure Account—State
Appropriation
Youth Tobacco Prevention Account—State Appropriation \$1,281,000
Public Health Supplemental Account—Private/Local
Appropriation
Accident Account—State Appropriation
Medical Aid Account—State Appropriation
Medicaid Fraud Penalty Account—State
Appropriation
Dedicated Marijuana Account—State
Appropriation (FY 2016)
Dedicated Marijuana Account—State
Appropriation (FY 2017)\$7,500,000
TOTAL APPROPRIATION

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

- (1) 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.
- (2) \$130,000 of the health professions state account—state appropriation is provided solely for implementation of chapter 118, Laws of 2015 (applied behavior analysis).
- (3) \$38,000 of the general fund—state appropriation for fiscal year 2016 and \$38,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the department of health, the department of social and health

services, and the health care authority to continue to collaborate to submit a coordinated report on diabetes to the governor and appropriate committees of the legislature by June 30, 2017. The report on diabetes must include the following:

- (a) An analysis of the financial impact and reach that diabetes of all types is having on programs administered by each agency and individuals enrolled in those programs, including:
- (i) The number of individuals with diabetes that are impacted or covered by these programs;
- (ii) The number of family members of individuals with diabetes that are impacted by these programs;
- (iii) The financial toll or impact that diabetes and its complications places on these programs, and how the financial toll or impact compares to that of other chronic diseases and conditions;
- (b) An assessment of the benefits of programs and activities implemented by the agencies to control and prevent diabetes, including documentation of the amount and source of the agencies' funding for these programs and activities;
- (c) A description of the level of coordination existing between the agencies on activities, programmatic activities, and messaging on managing, treating, or preventing all forms of diabetes and its complications;
- (d) The development of or revision to each agency's action plan for addressing the impact of diabetes together with a range of actionable items for either each agency or consideration by the legislature, or both. The plans must, at a minimum:
- (i) Identify proposed action steps to reduce the impact of diabetes, prediabetes, and related diabetes complications, especially for medicaid populations;
 - (ii) Identify expected outcomes in subsequent biennia; and
- (iii) Establish benchmarks for controlling and preventing relevant forms of diabetes and appropriate measures for success;
- (e) An estimate of the costs, return on investment, and resources required to implement the plans identified in subsection (d) of this section.
- (4) \$30,000 of the medicaid fraud penalty account—state appropriation is provided solely for implementation of chapter 259, Laws of 2015 (prescription drug monitoring).
- (5) \$4,015,000 of the health professions account—state appropriation is provided solely for implementation of chapter 70, Laws of 2015 (cannabis patient protection).
- (6) \$7,250,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and \$7,250,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for a marijuana education and public health program and for tobacco prevention activities that target youth and populations with a high incidence of tobacco use.
- (7) \$250,000 of the dedicated marijuana account—state appropriation for fiscal year 2016 and \$250,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for a contract with the Washington poison center to help maintain national accreditation standards.
- (8) \$65,000 of the general fund—state appropriation for fiscal year 2016 and \$65,000 of the general fund—state appropriation for fiscal year 2017 are provided solely 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.

- (9) During the 2015-2017 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.
- (10)(a) Within existing resources, the department of health shall compile a report on ambulatory surgical facilities to be submitted to the appropriate committees of the legislature by January 1, 2016. The report shall determine:
 - (i) How many ambulatory centers are currently functioning in the state;
 - (ii) How many cases these centers receive annually;
 - (iii) How many of these centers are medicare certified;
 - (iv) How many of these centers are not medicare certified; and
 - (v) How many are also certified by an accrediting organization.
- (b) The department shall not increase current annual fees for new or renewed licenses for ambulatory surgical facilities during the 2015-2017 fiscal biennium
- (11)(a) The pharmacy quality assurance commission shall engage in a stakeholder process to develop statutory standards and protocols specific to long-term care pharmacies and shall submit the proposed statute to the senate health care committee and house health care and wellness committee no later than November 15, 2015.
- (b) When inspecting and reviewing long-term care pharmacies, the pharmacy quality assurance commission and the department of health shall recognize the applicability of medication orders in long-term care facilities and recognize the essential relationship between the practitioner, the long-term care facility registered nurse, and the pharmacist in conveying chart orders to the long-term care pharmacy.
- (12) \$52,000 of the health professions account—state appropriation is provided solely for implementation of chapter 159, Laws of 2015 (victim interviews training).
- (13) Information technology projects and proposed projects for time capture, payroll and payment processes, and eligibility and authorization systems within the department of health are subject to technical oversight by the office of the chief information officer.
- (14) \$1,923,000 of the state toxics control account—state appropriation is provided solely for implementation of Engrossed Second Substitute House Bill No. 1472 (chemical action plans), Second Substitute Senate Bill No. 5056 (safer chemicals/action plans), Substitute Senate Bill No. 6131 (safer chemicals), or any of these. Within the amount provided in this subsection, \$1,554,000 is provided solely for the department to conduct biomonitoring studies. If none of these bills is enacted by July 10, 2015, the amount provided in this subsection shall lapse.
- (15) \$123,000 of the general fund—state appropriation for fiscal year 2016 and \$123,000 of the general fund—state appropriation for fiscal year 2017 are 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.

<u>NEW SECTION.</u> Sec. 220. FOR THE DEPARTMENT OF CORRECTIONS

(1) ADMINISTRATION AND SUPPORT SERVICES	
General Fund—State Appropriation (FY 2016)	\$59,039,000
General Fund—State Appropriation (FY 2017)	\$59,768,000
TOTAL APPROPRIATION	\$118,807,000

The appropriations in this subsection are subject to the following conditions and limitations: \$35,000 of the general fund—state appropriation for fiscal year 2016 and \$35,000 of the general fund—state appropriation for fiscal year 2017 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.

(2) CORRECTIONAL OPERATIONS

General Fund—State Appropriation (FY 2016)	\$608,917,000
General Fund—State Appropriation (FY 2017)	\$629,232,000
General Fund—Federal Appropriation	\$1,892,000
Washington Auto Theft Prevention Authority Account—	
State Appropriation	\$6,701,000
State Toxics Control Account—State Appropriation	\$400,000
TOTAL APPROPRIATION	\$1,247,142,000

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

- (a) During the 2015-2017 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) 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 must be negotiated with the department as part of any contract. Local jurisdictions must provide health care to offenders that meet standards set by the department. The local jail must provide all medical care including unexpected emergent care. The department must utilize a screening process to ensure that offenders with existing extraordinary medical/mental health needs are not transferred to local jail facilities. If extraordinary medical conditions develop for an inmate while at a jail facility, the jail may transfer the offender back to the department, subject to terms of the negotiated agreement. Health care costs incurred prior to transfer are the responsibility of the jail.

- (c) \$501,000 of the general fund—state appropriation for fiscal year 2016 and \$501,000 of the general fund—state appropriation for fiscal year 2017 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.
- (d) \$1,379,000 of the general fund—state appropriation for fiscal year 2016, and \$1,379,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the department to contract with Yakima county for the use of inmate bed capacity in lieu of prison beds operated by the state to meet prison capacity needs.
- (e) The department shall review its policies and procedures for overtime usage throughout its prison custody system to identify efficiencies and best practices that will control costs. The department shall provide to the appropriate committees of the legislature by November 15, 2015, a report that makes recommendations to reduce the department's overtime usage and reduces overall costs for prison personnel.
- (f) In an effort to reduce its need for medium security beds, the department shall review options to meet capacity needs in the most cost-efficient manner without compromising safety. The department shall at a minimum review its policies that determine custody levels, including examining other states' policies and determine costs to convert any empty prison beds to medium security and possibilities to utilize local jail beds for this purpose. The department must evaluate the options on both a short-term and long-term basis against the cost and timing of any proposal to build a new prison facility. The department shall report its findings and recommendations to the appropriate committees of the legislature by December 1, 2015.
- (g) Within the amounts provided in this section, the department of corrections shall explore entering into an interagency agreement with the University of Washington. The interagency agreement would allow the department to receive drug pricing under 340B of the public health services act for drug purchases associated with treating patients with hepatitis C or other diseases, whereby the university is acting as the covered entity or safety-net provider. In cooperation with the University of Washington, the department must provide an estimate of the fiscal impact of a successful agreement of this nature,

to be included in the report provided to the legislature under section 606 of this act.

(3) COMMUNITY SUPERVISION	
General Fund—State Appropriation (FY 2016)	\$152,893,000
General Fund—State Appropriation (FY 2017)	\$156,050,000
General Fund—Federal Appropriation	\$995,000
TOTAL APPROPRIATION	\$309,938,000

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

- (a) 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 increases, provided that medical payments conform to the department's offender health plan and pharmacy formulary, and all off-site medical expenses are preapproved by department utilization management staff.
- (b) Within the amounts provided in this subsection, specific funding is provided to implement Senate Bill No. 5070 (supervision of domestic violence offenders).
- (c) The department shall engage in ongoing mitigation strategies to reduce the costs associated with community supervision violators, including improvements in data collection and reporting and alternatives to short-term confinement for low-level violators.

(4) CORRECTIONAL INDUSTRIES General Fund—State Appropriation (FY 2016) \$6,273,000 General Fund—State Appropriation (FY 2017) \$6,369,000 TOTAL APPROPRIATION \$12,642,000 (5) INTERAGENCY PAYMENTS General Fund—State Appropriation (FY 2016) \$45,308,000 General Fund—State Appropriation (FY 2017) \$41,572,000 TOTAL APPROPRIATION \$86,880,000

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.

(6) OFFENDER CHANGE	
General Fund—State Appropriation (FY 2016)	\$45,498,000
General Fund—State Appropriation (FY 2017)	\$46,845,000
TOTAL APPROPRIATION	\$92,343,000

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

- (a) The department of corrections shall use funds appropriated in this subsection (6) for offender programming. The department shall develop and implement a written comprehensive plan for offender programming that prioritizes programs which follow the risk-needs-responsivity model, are evidence-based, and have measurable outcomes. The department is authorized to discontinue ineffective programs and to repurpose underspent funds according to the priorities in the written plan.
- (b) Effective April 1, 2016, the regional support networks must subcontract with providers that have specialized expertise in the provision of outpatient chemical dependency treatment services to offenders who have been sentenced by a superior court to a term of community supervision by the department of corrections. The department of corrections and the department of social and health services must develop a memorandum of understanding for offenders on active supervision by the department who are eligible for chemical dependency programming and to ensure that manualized evidence-based treatment services funded by these agencies are coordinated, do not result in duplication of services, and maintain access and quality of care for the individuals being served.
- (c) The department of corrections shall implement and make necessary changes to policies and practices to assist eligible needs-assessed offenders within the community with access to outpatient chemical dependency treatment services through the behavioral health organizations and early adopters.

$\underline{\text{NEW SECTION.}}$ Sec. 221. FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund—State Appropriation (FY 2016)	. \$2,290,000
General Fund—State Appropriation (FY 2017)	. \$2,297,000
General Fund—Federal Appropriation	\$23,186,000
General Fund—Private/Local Appropriation	\$60,000
TOTAL APPROPRIATION	\$27,833,000

NEW SECTION. Sec. 222. FOR THE EMPLOYMENT SECURITY DEPARTMENT

DEPARTMENT	
General Fund—Federal Appropriation	. \$258,156,000
General Fund—Private/Local Appropriation	\$34,758,000
Unemployment Compensation Administration Account—	
Federal Appropriation	. \$285,849,000
Administrative Contingency Account—State	
Appropriation	\$24,537,000
Employment Service Administrative Account—State	
Appropriation	\$46 134 000

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

(1) \$4,662,000 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 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) \$26,955,000 of the unemployment compensation administration account—federal appropriation is provided 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.
- (3) The department may implement a revised chart of accounts for the 2015-2017 fiscal biennium following the receipt and approval of the reconstructed tenyear operating and capital expenditure plan by the office of financial management and the legislative evaluation and accountability program committee. The proposed structure must reduce the department's structure from seven programs to four and better align the budget reporting structure with the department's current operational structure.
- (4) The department is directed to maximize the use of federal funds. The department must update its budget annually to align expenditures with anticipated changes in projected revenues.
- (5) \$48,000 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 netimpact/cost-benefit analysis components of the evaluation.
- (6) The department is prohibited from expending amounts appropriated in this section for implementation of chapter 49.86 RCW.
- (7) \$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.

PART III NATURAL RESOURCES

NEW SECTION. Sec. 301. FOR THE COLUMBIA RIVER GORGE COMMISSION General Fund—State Appropriation (FY 2016) \$455,000 General Fund—State Appropriation (FY 2017) \$474,000 General Fund—Federal Appropriation \$32,000 General Fund—Private/Local Appropriation \$895,000 TOTAL APPROPRIATION \$1,856,000

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General Fund—State Appropriation (FY 2016)	. \$24,694,000
General Fund—State Appropriation (FY 2017)	. \$24,795,000
General Fund—Federal Appropriation	\$103,800,000
General Fund—Private/Local Appropriation	
Reclamation Account—State Appropriation	\$3,926,000
Flood Control Assistance Account—State Appropriation	\$2,068,000
State Emergency Water Projects Revolving Account—State	\$2,000,000
Appropriation	\$40,000
Waste Reduction/Recycling/Litter Control—State	\$40,000
waste Reduction/Recycling/Litter Control—State	¢12.162.000
Appropriation	. \$13,163,000
State Drought Preparedness Account—State Appropriation	\$204,000
State and Local Improvements Revolving Account (Water	
Supply Facilities)—State Appropriation	\$447,000
Aquatic Algae Control Account—State Appropriation	
Water Rights Tracking System Account—State Appropriation	
Site Closure Account—State Appropriation	\$578,000
Wood Stove Education and Enforcement Account—State	
Appropriation	\$547,000
Worker and Community Right-to-Know Account—State	
Appropriation	\$1,790,000
Water Rights Processing Account—State Appropriation	\$39,000
State Toxics Control Account—State Appropriation	\$132,643,000
State Toxics Control Account—Private/Local	, , , , , , , , ,
Appropriation	\$499 000
Local Toxics Control Account—State Appropriation	
Water Quality Permit Account—State Appropriation	
Underground Storage Tank Account—State Appropriation	
Biosolids Permit Account—State Appropriation	\$2,108,000
Environmental Legacy Stewardship Account—State	\$2,100,000
Appropriation	\$44.205.000
Hazardous Waste Assistance Account—State	. \$44,293,000
A managination	¢(020 000
Appropriation State Appropriation	0.14.000.000
Radioactive Mixed Waste Account—State Appropriation	
Air Pollution Control Account—State Appropriation	
Oil Spill Prevention Account—State Appropriation	\$8,594,000
Air Operating Permit Account—State Appropriation	
Freshwater Aquatic Weeds Account—State Appropriation	
Oil Spill Response Account—State Appropriation	\$7,076,000
Water Pollution Control Revolving Administration	
Account—State Appropriation	\$579,000
Water Pollution Control Revolving Account—State	
Appropriation	\$493,000
Water Pollution Control Revolving Account—Federal	
Appropriation	\$2,337,000
TOTAL APPROPRIATION	\$476,376,000

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) \$495,000 of the state toxics control account—state appropriation and \$625,000 of the local toxics control account—state appropriation is provided solely for the expansion of the local source control program by adding additional capacity in the Columbia River basin and Clark county.
- (3) \$310,000 of the state toxics control account—state appropriation is provided solely for the Spokane river regional toxics task force to address elevated levels of polychlorinated biphenyls in the Spokane river.
- (4) Within the amounts appropriated in this section, the department shall conduct a stakeholder process with the department of fish and wildlife to develop recommendations to restructure the fees under RCW 90.16.050 and report to the appropriate committees of the legislature by December 1, 2015.
- (5) \$1,044,000 of the oil spill prevention account—state appropriation is provided solely for the implementation of chapter 274, Laws of 2015 (ESHB 1449).
- (6) \$3,883,000 of the state toxics control account—state appropriation is provided solely for the implementation of Engrossed Second Substitute House Bill No. 1472 (chemical action plans), Second Substitute Senate Bill No. 5056 (safer chemicals/action plans), Substitute Senate Bill No. 6131 (safer chemicals), or any of these. If none of these bills are enacted by July 10, 2015, the amount provided in this subsection shall lapse.
- (7) \$134,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for implementation of chapter 144, Laws of 2015 (SHB 1851).
- (8) \$135,000 of the general fund—state appropriation for fiscal year 2016 and \$135,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Walla Walla watershed management partnership to address water resource and management issues in the Walla Walla watershed.
- (9)(a) \$14,000,000 of the general fund—state appropriation for fiscal year 2016 and \$14,000,000 of the general fund—state appropriation for fiscal year 2017 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 2017 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 2016. If the department of ecology does not issue at least five hundred water right decisions in fiscal year 2016, 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, 2016, that documents whether five hundred water right decisions were issued in fiscal year 2016. 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.

(10) Within the amounts appropriated in this section, the department must evaluate mitigation options for domestic water use in areas of the Yakima basin for which mitigation water is unavailable and access to water from water banks is unsuitable. The department must recommend solutions for providing mitigation water for domestic use in such areas. A report of the department's findings must be provided to the legislature by December 1, 2015.

NEW SECTION. Sec. 303. FOR THE STATE PARKS AND
RECREATION COMMISSION
General Fund—State Appropriation (FY 2016) \$10,578,000
General Fund—State Appropriation (FY 2017) \$10,475,000
General Fund—Federal Appropriation
Winter Recreation Program Account—State Appropriation \$3,280,000
ORV and Nonhighway Vehicle Account—State Appropriation\$228,000
Snowmobile Account—State Appropriation
Aquatic Lands Enhancement Account—State Appropriation \$363,000
Parks Renewal and Stewardship Account—State
Appropriation
Parks Renewal and Stewardship Account—Private/Local
Appropriation
TOTAL APPROPRIATION

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 2016 and \$79,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a grant for the operation of the Northwest weather and avalanche center.
- (2) \$100,000 of the general fund—state appropriation for fiscal year 2016 and \$100,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the commission to pay assessments charged by local improvement districts.

provided solely for the commission to pay assessments charged by local improvement districts.
NEW SECTION. Sec. 304. FOR THE RECREATION AND
CONSERVATION FUNDING BOARD
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017)
General Fund—Federal Appropriation
General Fund—Private/Local Appropriation\$24,000
Aquatic Lands Enhancement Account—State Appropriation \$488,000
Firearms Range Account—State Appropriation\$37,000
Recreation Resources Account—State Appropriation
NOVA Program Account—State Appropriation
TOTAL APPROPRIATION
NEW SECTION. Sec. 305. FOR THE ENVIRONMENTAL AND
LAND USE HEARINGS OFFICE
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017)

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<u>NEW SECTION.</u> Sec. 306. FOR THE CONSERVATION
COMMISSION
General Fund—State Appropriation (FY 2016)\$6,775,000General Fund—State Appropriation (FY 2017)\$6,810,000General Fund—Federal Appropriation\$2,301,000Public Works Assistance Account—State Appropriation\$7,600,000State Toxics Control Account—State Appropriation\$1,000,000TOTAL APPROPRIATION\$24,486,000
The appropriations in this section are subject to the following conditions
and limitations: \$7,600,000 of the public works assistance account—state appropriation is provided solely for implementation of the voluntary stewardship program. This amount may not be used to fund agency indirect and administrative expenses.
NEW SECTION. Sec. 307. FOR THE DEPARTMENT OF FISH AND
WILDLIFE
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017) \$36,622,000
General Fund—Federal Appropriation
General Fund—Private/Local Appropriation\$61,447,000
ORV and Nonhighway Vehicle Account—State Appropriation \$424,000
Aquatic Lands Enhancement Account—State
Appropriation
Recreational Fisheries Enhancement—State
Appropriation
Warm Water Game Fish Account—State Appropriation \$2,723,000
Eastern Washington Pheasant Enhancement Account—State
Appropriation
Aquatic Invasive Species Enforcement Account—State
Appropriation
Aquatic Invasive Species Prevention Account—State
Appropriation
State Wildlife Account—State Appropriation
Special Wildlife Account—State Appropriation
Special Wildlife Account—Federal Appropriation
Special Wildlife Account—Private/Local Appropriation \$3,517,000
Wildlife Rehabilitation Account—State Appropriation
Environmental Legacy Stewardship Account—State
Appropriation
Federal Appropriation
Oil Spill Prevention Account—State Appropriation
Oyster Reserve Land Account—State Appropriation
TOTAL APPROPRIATION\$394,359,000
The appropriations in this section are subject to the following and divine

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

(1) \$344,000 of the general fund—state appropriation for fiscal year 2016 and \$344,000 of the general fund—state appropriation for fiscal year 2017 are

provided solely to pay for emergency fire suppression costs. These amounts may not be used to fund agency indirect and administrative expenses.

- (2) \$596,000 of the general fund—state appropriation for fiscal year 2016 and \$596,000 of the general fund—state appropriation for fiscal year 2017 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.
- (3) \$300,000 of the aquatic lands enhancement account—state appropriation is provided solely for the aquatic invasive species and ballast water programs to address voluntary compliance and watercraft check stations and develop recommendations for future funding and the transition to new federal ballast water regulations. These recommendations shall be provided to the governor and legislature by June 1, 2016.
- (4) Prior to submitting its 2017-2019 biennial operating and capital budget requests related to state fish hatcheries to the office of financial management, the department shall contract with the hatchery scientific review group (HSRG) to review the proposed requests. 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 its agency budget proposal.
- (5) \$400,000 of the general fund—state appropriation for fiscal year 2016 and \$400,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a state match to support the Puget Sound nearshore partnership between the department and the United States army corps of engineers. Prior to implementation of any Puget Sound nearshore ecosystem restoration projects in Whatcom county, the department must consult with and seek, to the maximum extent practicable, consensus on those projects among appropriate landowners, federally recognized Indian tribes, agencies, and community and interest groups.
- (6) 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.
- (7) Within the amounts appropriated in this section, the department shall conduct a stakeholder process with the department of ecology to develop recommendations to restructure the fees under RCW 90.16.050 and report to the appropriate committees of the legislature by December 1, 2015.
- (8) The department shall maintain a working capital reserve in the nonrestricted portion of the state wildlife account of no more than five percent of projected expenses in the nonrestricted portion of the account.
- (9) \$72,000 of the oil spill prevention account—state appropriation is provided solely for implementation of chapter 274, Laws of 2015 (ESHB 1449).
- (10) \$352,000 of the general fund—state appropriation for fiscal year 2016 and \$351,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of chapter 191, Laws of 2015 (SSB 5166).

NEW SECTION. Sec. 308. FOR THE DEPARTMENT OF NATURAL
RESOURCES
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017)
General Fund—Federal Appropriation
General Fund—Private/Local Appropriation
Forest Development Account—State Appropriation
ORV and Nonhighway Vehicle Account—State Appropriation \$4,806,000
Surveys and Maps Account—State Appropriation \$1,496,000
Aquatic Lands Enhancement Account—State
Appropriation
Resources Management Cost Account—State
Appropriation
Surface Mining Reclamation Account—State
Appropriation
Disaster Response Account—State Appropriation
Forest and Fish Support Account—State Appropriation \$9,011,000
Aquatic Land Dredged Material Disposal Site Account—State
Appropriation
Natural Resources Conservation Areas Stewardship Account—State
Appropriation
Marine Resources Stewardship Trust Account—State
Appropriation
State Toxics Control Account—State Appropriation
Forest Practices Application Account—State
Appropriation
Environmental Legacy Stewardship Account—State
Appropriation
Air Pollution Control Account—State Appropriation
NOVA Program Account—State Appropriation\$696,000
Derelict Vessel Removal Account—State Appropriation \$1,930,000
Agricultural College Trust Management Account—State
Appropriation
TOTAL APPROPRIATION

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

- (1) \$1,420,000 of the general fund—state appropriation for fiscal year 2016 and \$1,352,000 of the general fund—state appropriation for fiscal year 2017 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) \$21,055,000 of the general fund—state appropriation for fiscal year 2016, \$21,055,000 of the general fund—state appropriation for fiscal year 2017, and \$5,000,000 of the disaster response account—state appropriation are provided solely for emergency fire suppression. The general fund—state appropriation and disaster response account—state appropriation provided in this subsection may not 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) \$925,000 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, and stakeholder engagement.
- (5) \$440,000 of the state general fund—state appropriation for fiscal year 2016 and \$440,000 of the state general fund—state appropriation for fiscal year 2017 are provided solely for forest work crews that support correctional camps and are contingent upon continuing operations of the Naselle youth camp.
- (6) \$2,947,000 of the general fund—state appropriation for fiscal year 2016 and \$2,947,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the department to carry out the forest practices adaptive management program pursuant to RCW 76.09.370 and the May 24, 2012, settlement agreement entered into by the department and the department of ecology. Scientific research must be carried out according to the master project schedule and work plan of cooperative monitoring, evaluation, and research priorities adopted by the forest practices board. The forest practices board shall submit a report to the legislature following review, approval, and solicitation of public comment on the cooperative monitoring, evaluation, and research master project schedule, to include: Cooperative monitoring, evaluation, and research science and related adaptive management expenditure details, accomplishments, the use of cooperative monitoring, evaluation, and research science in decision-making, and funding needs for the coming biennium. The report shall be provided to the appropriate committees of the legislature by October 1, 2016.
- (7) \$155,000 of the general fund—state appropriation for fiscal year 2016 and \$127,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for ongoing law enforcement, which the department may contract with local law enforcement agencies, and for noxious weed control, forest fire protection assessment, and other purchased services for the Teanaway community forest as provided in the Teanaway community forest management plan.
- (8) The department shall maintain working capital reserves in the resource management cost account and the forest development account of no more than five percent of the amounts appropriated in each account.
- (9) \$337,000 of the general fund—state appropriation for fiscal year 2016 and \$311,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 182, Laws of 2015 (ESHB 2093).

NEW SECTION. Sec. 309. FOR THE DEPARTMENT OF
AGRICULTURE
General Fund—State Appropriation (FY 2016) \$16,173,000
General Fund—State Appropriation (FY 2017)\$16,069,000
General Fund—Federal Appropriation
General Fund—Private/Local Appropriation\$193,000
Aquatic Lands Enhancement Account—State Appropriation \$2,884,000
State Toxics Control Account—State Appropriation
Water Quality Permit Account—State Appropriation
TOTAL APPROPRIATION

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

- (1) \$6,108,445 of the general fund—state appropriation for fiscal year 2016 and \$6,102,905 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementing the food assistance program as defined in RCW 43.23.290.
- (2) \$48,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for implementation of chapter 106, Laws of 2015 (HB 1268).
- (3) \$575,000 of the state toxics control account—state appropriation is provided solely to implement a nutrient management training program for farmers that provides training in agronomic application of dairy nutrients, as defined in RCW 90.64.010. The department shall develop an accreditation process to track completion of training by individuals who apply manure. The department shall also offer to willing farms to review agronomic application of dairy nutrients, as defined in RCW 90.64.010, used in crop production, including when, where, and how much manure to apply to meet crop nutrient requirements and to protect waters of the state. These funds may also be used to increase inspection activities in watersheds, including those areas with impaired surface or ground water impairment. The department in consultation with interested stakeholders shall identify gaps in the manure management program, including existing rules and statutory language, and report on a strategy to address those gaps. This program shall be a two-year pilot and the department shall report to the governor and the legislature by December 31, 2015, June 30, 2016, and on June 30, 2017, on the level of participation and results of the program. In developing the curriculum for agronomic education and certification programs, the department will provide opportunity for input from interested parties including: Washington State University, state conservation commission, department of ecology, conservation district staff, representatives from agricultural, livestock, and crop organizations, environmental organizations, tribal government representatives, and certified crop advisers.
- (4) \$126,000 of the general fund—state appropriation for fiscal year 2016 is provided solely to analyze raw milk samples as required by chapter 15.36 RCW. The department shall report to the governor and the appropriate committees of the legislature by September 1, 2015, with recommendations for an assessment or a cost-recovery mechanism to support the department's activities associated with inspections and testing of raw milk samples.

<u>NEW SECTION.</u> Sec. 310. FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM

\$1,387,000
SOUND
\$2,319,000
\$2,338,000
\$9,895,000
\$2,109,000
.\$701,000
17,362,000

The appropriations in this section are subject to the following conditions and limitations: By October 15, 2016, the Puget Sound partnership shall provide the governor a single, prioritized list of state agency 2017-2019 capital and operating budget requests related to Puget Sound restoration.

PART IV TRANSPORTATION

NEW SECTION. Sec. 401. FOR THE DEPARTMENT OF
LICENSING
General Fund—State Appropriation (FY 2016)\$1,400,000
General Fund—State Appropriation (FY 2017)\$1,472,000
Architects' License Account—State Appropriation \$1,007,000
Professional Engineers' Account—State Appropriation \$4,157,000
Real Estate Commission Account—State Appropriation \$11,524,000
Uniform Commercial Code Account—State Appropriation \$3,270,000
Real Estate Education Program Account—State
Appropriation
Real Estate Appraiser Commission Account—State
Appropriation
Business and Professions Account—State Appropriation \$18,218,000
Real Estate Research Account—State Appropriation
Geologists' Account—State Appropriation
Derelict Vessel Removal Account—State Appropriation
TOTAL APPROPRIATION

The appropriations in this section are subject to the following conditions and limitations: \$198,000 of the general fund—state appropriation for fiscal year 2016 and \$11,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of Engrossed Senate Bill No. 5416 (vessel-related transactions). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 402. FOR THE STATE PATROL	
General Fund—State Appropriation (FY 2016)	\$39,855,000
General Fund—State Appropriation (FY 2017)	\$38,094,000
General Fund—Federal Appropriation	\$16,074,000
General Fund—Private/Local Appropriation	. \$3,070,000

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Death Investigations Account—State Appropriation	\$6,508,000
Enhanced 911 Account—State Appropriation	
County Criminal Justice Assistance Account—State	
Appropriation	\$3,532,000
Municipal Criminal Justice Assistance Account—State	
Appropriation	\$1,443,000
Fire Service Trust Account—State Appropriation	
Vehicle License Fraud Account—State Appropriation	\$255,000
Disaster Response Account—State Appropriation	\$8,000,000
Fire Service Training Account—State Appropriation	\$9,997,000
Aquatic Invasive Species Enforcement Account—State	
Appropriation	\$54,000
State Toxics Control Account—State Appropriation	\$532,000
Fingerprint Identification Account—State	
Appropriation	\$13,930,000
TOTAL APPROPRIATION	144,705,000

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) \$3,230,000 of the enhanced 911 account—state appropriation is provided solely for the first phase of the state patrol's plan to upgrade the criminal history system, and is subject to the same conditions, limitations and review provided in section 705 (4) through (6) of this act.
- (5) \$1,375,000 of the general fund—state appropriation for fiscal year 2016 and \$1,375,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 247, Laws of 2015 (Substitute House Bill No. 1068).
- (6) \$3,200,000 of the fingerprint investigation account—state appropriation is provided solely for the second phase of the state patrol's plan to upgrade the criminal history system, and is subject to the same conditions, limitations and review provided in section 705 (4) through (6) of this act.
- (7) Within amounts provided in this section, the Washington state patrol shall work with the consolidated technology services agency to explore the feasibility and appropriateness of using vacant data halls in the state data center

as storage facilities for evidence collected by law enforcement agencies, including but not limited to the state patrol. The state patrol and the consolidated technology services agency shall develop a cost estimate for modifying the data center halls in order to fit this purpose. The state patrol shall submit a report on its findings to the governor and the appropriate committees of the legislature by December 1, 2015.

(8) \$50,000 of the general fund—state appropriation for fiscal year 2016 and \$50,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the state patrol to pay assessments charged by local improvement districts.

PART V EDUCATION

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

- (1) \$9,868,000 of the general fund—state appropriation for fiscal year 2016 and \$10,150,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the operation and expenses of the office of the superintendent of public instruction.
- (a) The superintendent shall recognize the extraordinary accomplishments of four students who have demonstrated a strong understanding of the civics essential learning requirements to receive the Daniel J. Evans civic education award.
- (b) Districts shall report to the office of the superintendent of public instruction daily student unexcused absence data by school, using a uniform definition of unexcused absence as established by the superintendent.
- (c) By September of each year, the office of the superintendent of public instruction shall produce an annual status report on implementation 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 state staff funded by the proviso, number of contractors, status of proviso implementation, number of beneficiaries by year, list of beneficiaries, a comparison of budgeted funding and actual expenditures, other sources and amounts of funding, and proviso outcomes and achievements.
- (d) The superintendent of public instruction, in consultation with the secretary of state, 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.
- (e) Districts shall annually report to the office of the superintendent of public instruction on: (i) The annual number of graduating high school seniors within the district earning the Washington state seal of biliteracy provided in RCW 28A.300.575; and (ii) the number of high school students earning competency-based high school credits for world languages by demonstrating proficiency in a language other than English. The office of the superintendent of public instruction shall provide a summary report to the office of the governor and the appropriate committees of the legislature by December 1st of each year.
- (f) The superintendent of public instruction shall create rules to require each school district to establish accounting procedures for local levy and local effort assistance revenue that show such revenue and related expenditures separately from all other revenues and expenditures. The accounting system established for such purpose shall account for basic education and non-basic education expenditures. The agency's rules shall require each school district, beginning with the 2016-17 school year, to report the expenditure of the local levy and local effort assistance revenue by activity and by object. Local levy dollars shall be accounted in an account separate from the school district's general fund. The school district's report must also include base compensation by job categories as defined by the office of the superintendent of public instruction, and by cell on the state salary schedule. The report must include additional time-based and non-time-based compensation available to each job category, and must identify the hours required to be worked by each category for base pay and additional compensation. Compensation for extra hours worked or extra workload must be included in the data reporting.
- (2) \$1,017,000 of the general fund—state appropriation for fiscal year 2016 and \$1,017,000 of the general fund—state appropriation for fiscal year 2017 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.
- (3) \$1,012,000 of the general fund—state appropriation for fiscal year 2016 and \$1,012,000 of the general fund—state appropriation for fiscal year 2017 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 2016 and \$161,000 of the general fund—state appropriation for fiscal year 2017 are provided for implementation of Initiative Measure No. 1240 (charter schools).
- (4) \$3,571,000 of the general fund—state appropriation for fiscal year 2016 and \$3,447,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to the professional educator standards board for the following:
- (a) \$1,050,000 in fiscal year 2016 and \$1,050,000 in fiscal year 2017 are for the operation and expenses of the Washington professional educator standards board:
- (b) \$2,372,000 of the general fund—state appropriation for fiscal year 2016 and \$2,372,000 of the general fund—state appropriation for fiscal year 2017 are

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for grants to improve preservice teacher training and for funding of alternative routes to certification programs administered by the professional educator standards board. Alternative routes programs include the pipeline for paraeducators program, the retooling to teach conditional loan programs, and the recruiting Washington teachers program. Within this subsection (4)(b), up to \$500,000 per fiscal year is available for grants to public or private colleges of education in Washington state to develop models and share best practices for increasing the classroom teaching experience of preservice training programs;

- (c) \$25,000 of the general fund—state appropriation for fiscal year 2016 and \$25,000 of the general fund—state appropriation for fiscal year 2017 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:
- (d) \$124,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for implementation of chapter 136, Laws of 2014 (paraeducator development).
- (5) \$266,000 of the general fund—state appropriation for fiscal year 2016 and \$266,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of chapter 240, Laws of 2010, including staffing the office of equity and civil rights.
- (a) \$5,000 of the amounts provided in this subsection shall be provided to the Washington state school directors association for the creation of a model policy and procedures for language access by limited-English proficient parents. In developing the model policy and procedures, the school directors association shall consider any guidance materials created by the United States department of justice, the United States department of education, and the office of the superintendent of public instruction, regarding how school districts can effectively assess their language access needs and how to develop appropriately tailored language access plans. The model policy and procedures must at a minimum address:
- (i) Guidance and procedures for timely and accurate identification of limited-English proficient parents and guardians and their language access needs;
- (ii) A recommended process and procedures for when and how to access an interpreter;
- (iii) A prohibition on the use of students or children as interpreters for school-related communications:
- (iv) Procedures to ensure appropriate staff are aware of parents' or guardians' need for language assistance, including guidance for all school administrators, teachers, and other appropriate staff regarding when and how to access an interpreter or translation services in a timely manner; and

- (v) A process for communicating with parents and guardians about their rights under federal and state law to be provided with accessible information that allows them to make informed choices regarding their child's education and how to access the resources and services available to them.
- (b) Within the amounts provided in this subsection, the office of the superintendent of public instruction shall:
- (i) Convene an advisory committee with representatives of parents, school administrators, school principals, classified and certificated staff, and other appropriate parties with interest in language access for limited-English parents to develop sample materials for school districts to disseminate to both school employees and parents regarding parents' rights under the model policy developed by the Washington state school directors' association and the resources available to assist parents and guardians in accessing the services available to them. The sample materials must be developed by July 1, 2016;
- (ii) Maintain and have available upon request a list of school districts that have and have not adopted the Washington state school directors' association's model policy;
- (iii) Adopt rules regarding school districts' communication of the language access policy and procedure to parents, students, employees, and volunteers; and
- (iv) Publish to the agency web site a listing of language access services providers available to school districts, including but not limited to, the telephonic, in-person, or video-remote interpreter services vendors on contract with the state of Washington, including contact information and training programs that are available to support school districts in preparing employees for how to access and effectively use an interpreter.
- (6) \$50,000 of the general fund—state appropriation for fiscal year 2016 and \$50,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the ongoing work of the education opportunity gap oversight and accountability committee.
- (7) \$61,000 of the general fund—state appropriation for fiscal year 2016 and \$61,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of chapter 380, Laws of 2009 (enacting the interstate compact on educational opportunity for military children).
- (8) \$131,000 of the general fund—state appropriation for fiscal year 2016 and \$131,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Initiative Measure No. 1240 (charter schools).
- (9) \$1,802,000 of the general fund—state appropriation for fiscal year 2016 and \$1,802,000 of the general fund—state appropriation for fiscal year 2017 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).
- (10) \$25,000 of the general fund—state appropriation for fiscal year 2016 and \$25,000 of the general fund—state appropriation for fiscal year 2017 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.
- (11) \$1,500,000 of the general fund—state appropriation for fiscal year 2016 and \$1,500,000 of the general fund—state appropriation for fiscal year

- 2017 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.
- (12) \$123,000 of the general fund—state appropriation for fiscal year 2016 and \$123,000 of the general fund—state appropriation for fiscal year 2017 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.
- (13) \$250,000 of the general fund—state appropriation for fiscal year 2016 and \$250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 178, Laws of 2012 (open K-12 education resources).
- (14) \$93,000 of the general fund—state appropriation for fiscal year 2016 and \$93,000 of the general fund—state appropriation for fiscal year 2017 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.
- (15) \$14,000 of the general fund—state appropriation for fiscal year 2016 and \$14,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 242, Laws of 2013 (state-tribal education compacts).
- (16) \$62,000 of the general fund—state appropriation for fiscal year 2016 and \$62,000 of the general fund—state appropriation for fiscal year 2017 are provided solely 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:
- (a) 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
- (b) 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.
- (17) \$10,000 of the general fund—state appropriation for fiscal year 2016 and \$10,000 of the general fund—state appropriation for fiscal year 2017 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).

- (18) \$100,000 of the general fund—state appropriation for fiscal year 2016 and \$100,000 of the general fund—state appropriation for fiscal year 2017 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.
- (19) \$59,000 of the general fund—state appropriation for fiscal year 2016 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.
- (20) \$131,000 of the general fund—state appropriation for fiscal year 2016 and \$131,000 of general fund—state appropriation for fiscal year 2017 are 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.
- (21) \$31,000 of the general fund—state appropriation for fiscal year 2016 and \$55,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the office of the superintendent of public instruction for statewide implementation of career and technical education course equivalency frameworks authorized under RCW 28A.700.070 for math and science. This may include development of additional equivalency course frameworks, course performance assessments, and professional development for districts implementing the new frameworks. At least two of the science course frameworks must be in environmental science.
- (22) \$142,000 of the general fund—state appropriation for fiscal year 2016 and \$142,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 103, Laws of 2014 (Substitute Senate Bill No. 6431) (youth suicide prevention).
- (23) \$208,000 of the performance audits of government account—state appropriation is provided solely to address additional audit resolutions and appeals in the alternative learning experience programs.
- (24) \$2,541,000 of the general fund—state appropriation for fiscal year 2016 and \$2,541,000 of the general fund—state appropriation for fiscal year 2017 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.

- (25) \$210,000 of the general fund—state appropriation for fiscal year 2016 and \$210,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a nonviolence and leadership training program provided by the institute for community leadership.
- (26) \$1,221,000 of the general fund—state appropriation for fiscal year 2016 and \$1,221,000 of the general fund—state appropriation for fiscal year 2017 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.
- (27) \$2,549,000 of the general fund—state appropriation for fiscal year 2016 and \$3,360,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington state achievers scholarship and Washington higher education readiness 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; and to identify and reduce barriers to college for low-income and underserved middle and high school students.
- (28) \$1,354,000 of the general fund—state appropriation for fiscal year 2016 and \$1,354,000 of the general fund—state appropriation for fiscal year 2017 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.
- (29) \$1,000,000 of the general fund—state appropriation for fiscal year 2016, \$1,000,000 of the general fund—state appropriation for fiscal year 2017, and \$762,000 of the dedicated marijuana account—state appropriation are provided solely for dropout prevention, intervention, and reengagement programs, including the jobs for America's graduates (JAG) program, dropout prevention programs that provide student mentoring, 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. Of these amounts, \$251,000 of the dedicated marijuana account—state appropriation for fiscal year 2016, and \$511,000 of the dedicated marijuana account—state appropriation for fiscal year 2017 are provided solely for the building bridges statewide program.
- (30) \$2,654,000 of the general fund—state appropriation for fiscal year 2016 and \$2,984,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington kindergarten inventory of developing skills. State funding shall support the statewide administration of the inventory under RCW 28A.655.080(1) and the one-time implementation and training grants under RCW 28A.655.080(3) for schools implementing the inventory for the first time in the 2015-2017 fiscal biennium.

- (31) \$75,000 of the general fund—state appropriation for fiscal year 2016 and \$75,000 of the general fund—state appropriation for fiscal year 2017 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.
- (32) \$293,000 of the general fund—state appropriation for fiscal year 2016 and \$293,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the office of the superintendent of public instruction to support district implementation of comprehensive guidance and planning programs consistent with RCW 28A.600.045.
- (33) \$2,864,000 of the general fund—state appropriation for fiscal year 2016 and \$3,758,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of Engrossed Second Substitute House Bill No. 1546 (dual credit education opportunities).
- (34) \$161,000 of the general fund—state appropriation for fiscal year 2016 and \$54,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the superintendent of public instruction to convene a workgroup to recommend comprehensive benchmarks for developmentally appropriate interpersonal and decision-making knowledge and skills of social and emotional learning for grades kindergarten through high school that build upon what is being done in early learning. The workgroup shall submit recommendations to the education committees of the legislature, and the office of the governor by October 1, 2016.
- (35) \$122,000 of the general fund—state appropriation for fiscal year 2016 and \$117,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of chapter 3 (SHB No. 1813), Laws of 2015 1st sp. sess. (computer science).
- (36)(a) \$250,000 of the general fund—state appropriation for fiscal year 2016 and \$250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the office of the superintendent of public instruction to implement a K-12 dual language expansion grant program to build and expand well-implemented, sustainable dual language programs and create state-level infrastructure dedicated to dual language instruction.
- (b) The superintendent shall award grants to pairs of school districts for periods of two years. Each awarded pair must have one district with an established dual language program with a plan for expansion, and another district with the desire to implement a new dual language program.
- (c) Grant funds may be used for professional development, supplemental materials, training, administrative staffing of the program, site visits, recruiting bilingual teachers and instructional aides, program evaluation, and coaching.
- (37) \$400,000 of the general fund—state appropriation for fiscal year 2016 and \$200,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the urban school turnaround initiative as follows:

- (a) The office of the superintendent of public instruction shall provide grants of equal amounts to two schools that have previously received urban school turnaround initiative grants. The purpose of these grants is to assist the schools in maintaining gains made as a result of work completed under the original program, while also phasing out state funding support of the program.
- (b) The office shall allocate the funds under this subsection (36) to the school district to be used exclusively in the selected schools. The district may not charge an overhead or indirect fee for the allocated funds or supplant other state, federal, or local funds in the selected schools. The school district shall use the funds for intensive supplemental instruction, services, and materials in the selected schools, including but not limited to professional development for school staff; updated curriculum, materials, and technology; extended learning opportunities for students; reduced class size; summer enrichment activities; school-based health clinics; and other research-based initiatives to dramatically turn around the performance and close the achievement gap in the schools. The office shall enter into an expenditure agreement with the school district under which any funds under this subsection (41) remaining unspent on August 31, 2017, shall be returned to the state. Priorities for the expenditure of the funds shall be determined by the leadership and staff of each school.
- (38) \$125,000 of the general fund—state appropriation for fiscal year 2016 and \$125,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Kip Tokuda memorial Washington civil liberties public education program. The superintendent of public instruction shall award grants consistent with RCW 28A.300.410.
- (39) \$652,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for the administration of the preliminary scholastic aptitude test to ninth and tenth grade participants in the college bound program. The superintendent of public instruction shall partner with a national nonprofit organization that offers the aptitude test and that will provide: (i) Early and annual feedback on student progress; (ii) detailed performance feedback connected to Washington's standards, instruction, and assessments; (iii) access to state-of-the-art learning tools including free, personalized practice; (iv) access to college and career planning tools; (v) personalized information packets to highachieving, low-income students to increase the number of applications from this group of students to public four-year institutions of higher education and independent. nonprofit baccalaureate degree-granting institutions Washington; and (vi) for income eligible students, the opportunity to take the preliminary scholastic aptitude test in eleventh grade at no cost, to take the scholastic aptitude test twice at no cost, and access to additional tools and score reports at no cost.
- (40)(a) \$125,000 of the general fund—state appropriation for fiscal year 2016 and \$125,000 of the general fund—state appropriation for fiscal year 2017 is provided solely for a grant to an entity that is exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended, as of the effective date of this section, that is affiliated and in good standing with a national congressionally chartered organization's standards under 36 U.S.C., subtitle II, part B, and that:

- (i) Is facility-based and provides proven and tested recreational, educational, and character-building programs for children ages six to eighteen years of age;
- (ii) Provides after school and summer programs in a minimum of fifty communities statewide, with youth development services available at least twenty hours weekly during the school year and for thirty hours weekly during summer programming;
- (iii) Has adopted standards for care that at a minimum include staff ratios, staff training, health and safety standards, and mechanisms for assessing and enforcing the program's compliance with the standards;
 - (iv) Provides a process to receive and resolve parental complaints; and
- (v) Conducts national criminal background checks for all employees and volunteers who work with children.
- (b) The grant shall be used to pilot a program of academic, innovation, and mentoring. The purpose of the program is to enable eligible neighborhood youth development entities to provide out-of-school time programs for youth six to eighteen years of age that include educational services, mentoring, and linkages to positive, pro-social leisure and recreational activities. The programs must be designed for mentoring and academic enrichment that include at least two of the following three activity areas:
 - (i) Science, technology, engineering, and math (STEM);
 - (ii) Homework support and high-yield learning opportunities; and
 - (iii) Career exploration.
- (c) The entity receiving the grant shall conduct the pilot in at least five communities statewide. The office of the superintendent of public instruction shall submit a report to the appropriate education and fiscal committees of the legislature by December 31, 2015, and a final report by December 31, 2016. The report shall outline the programs established, target populations, and pre- and post-testing results.
- (41) \$25,000 of the general fund—state appropriation for fiscal year 2016 and \$25,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the office of the superintendent of public instruction to partner with a nonprofit organization providing music curriculum for kindergarten and first grade students and establish a grant program that provides start-up costs and materials for integrated music curriculum that links together other core curriculum. Preference shall be given to Title 1 schools, head start programs, early childhood education and assistance program sites, high poverty schools, schools with high mobility, and schools with low student achievement.
- (42) \$1,000,000 of the general fund—state appropriation for fiscal year 2016 and \$1,000,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the computer science and education grant program to support the following three purposes: Train and credential teachers in computer sciences; provide and upgrade technology needed to learn computer science; and, for computer science frontiers grants to introduce students to and engage them in computer science. The office of the superintendent of public instruction must use the computer science learning standards adopted pursuant to Substitute House Bill No. 1813 (computer science) in implementing the grant, to the extent possible. Additionally, grants provided for the purpose of introducing students to computer science are intended to support innovative ways to

introduce and engage students from historically underrepresented groups, including girls, low-income students, and minority students, to computer science and to inspire them to enter computer science careers. Grant funds for the computer science and education grant program may be expended only to the extent that they are equally matched by private sources for the program, including gifts, grants, or endowments.

Sec. 501 is partially vetoed. See message at end of chapter.

<u>NEW SECTION.</u> Sec. 502. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR GENERAL APPORTIONMENT

General Fund—State Appropriation (FY 2016)	\$6,373,305,000
General Fund—State Appropriation (FY 2017)	\$6,743,880,000
Education Legacy Trust Account—State Appropriation	\$125,730,000
TOTAL APPROPRIATION	\$13,242,915,000

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 2015-16 and 2016-17 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, 2015, to August 31, 2015, the superintendent shall allocate general apportionment funding to school districts programs as provided in sections 502 and 503, chapter 4, Laws of 2013 2nd 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.
- (e)(i) Funding provided in this part V of this act is sufficient to provide each full-time equivalent student with the minimum hours of instruction required under RCW 28A.150.220.
- (ii) The office of the superintendent of public instruction shall align the agency rules defining a full-time equivalent student with the increase in the minimum instructional hours under RCW 28A.150.220, as amended by the legislature in 2014.
- (f) The superintendent shall adopt rules requiring school districts to report full-time equivalent student enrollment as provided in RCW 28A.655.210 and to carry out the requirement specified in subsections 2(c)(i)(B) and 2(c)(ii)(B) of this section.
- (g) For the 2015-16 and 2016-17 school years, school districts must report to the office of the superintendent of public instruction the monthly actual average district-wide class size across each grade level of kindergarten, first grade, second grade, and third grade classes. The superintendent of public

instruction shall report this information to the education and fiscal committees of the house of representatives and the senate by September 30th of each year.

(2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

Allocations for certificated instructional staff salaries for the 2015-16 and 2016-17 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 2015-16 and 2016-17 school years, this enhancement is 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)(A) 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	2015-16 School Year	2016-17 School Year
Grade K		22.00	19.00
Grade 1		23.00	21.00
Grade 2		24.00	22.00
Grade 3		25.00	22.00
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.

(B) For grades kindergarten through three, the superintendent shall allocate funding for class size reductions to the extent of, and in proportion to, the school district's demonstrated actual weighted average class size for grades kindergarten through three, down to the weighted average class size specified in subsection 2(c)(i)(A) of this section. At a minimum, the superintendent must allocate funding sufficient to fund a weighted average class size not to exceed 25.23 full-time equivalent students per teacher in these grades.

(ii)(A) 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:

General education class size in high poverty schools:

Grade	RCW 28A.150.260	2015-16	2016-17
		School Year	School Year
Grade K		18.00	17.00
Grade 1		19.00	17.00
Grade 2		22.00	18.00
Grade 3		24.00	21.00
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

- (B) For grades kindergarten through three, the superintendent shall allocate funding for class size reductions to the extent of, and in proportion to, the school district's demonstrated actual weighted average class size for grades kindergarten through three, down to the weighted average class size specified in subsection 2(c)(ii)(A) of this section. At a minimum, the superintendent must allocate funding sufficient to fund a weighted average class size not to exceed 25.23 full-time equivalent students per teacher in these grades.
- (iii) The enhancements in this subsection (2)(c) are within the program of basic education.
- (iv) 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
- (v) Advanced placement 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 full-time equivalent enrollment:

2015-16 School 2016-17 School Year Year Drototymical

Career and	3.07	3.07
Technical		
Education		
Skill Center	3.41	3.41

(3) ADMINISTRATIVE STAFF ALLOCATIONS

(a) Allocations for school building-level certificated administrative staff salaries for the 2015-16 and 2016-17 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:

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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

(4) CLASSIFIED STAFF ALLOCATIONS

Allocations for classified staff units providing school building-level and district-wide support services for the 2015-16 and 2016-17 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 for the 2015-16 and 2016-17 school years, 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 2015-16 and 2016-17 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 1.46 percent in the 2015-16 school year and 1.46 percent in the 2016-17 school year for career and technical education students, and 17.33 percent in the 2015-16 school year and 17.33 percent in the 2016-17 school year for skill center students.

(6) FRINGE BENEFIT ALLOCATIONS

Fringe benefit allocations shall be calculated at a rate of 21.42 percent in the 2015-16 school year and 21.42 percent in the 2016-17 school year for certificated salary allocations provided under subsections (2), (3), and (5) of this section, and a rate of 22.72 percent in the 2015-16 school year and 22.72 percent in the 2016-17 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 purpose of distributing insurance benefits, full-time equivalent classified employees may be calculated on the basis of 1,440 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

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MSOC Component	2015-16 SCHOOL YEAR	2016-17 SCHOOL YEAR
Technology	\$127.17	\$129.33
Utilities and Insurance	\$345.55	\$351.43
Curriculum and Textbooks	\$136.54	\$138.86
Other Supplies and Library Materials	\$289.88	\$294.81
Instructional Professional Development for Certificated and Classified Staff	\$21.12	\$21.47
Facilities Maintenance	\$171.19	\$174.10
Security and Central Office	\$118.60	\$120.61
TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$1,210.05	\$1,230.62

- (b) Students in approved skill center programs generate per student FTE MSOC allocations of \$1,272.99 for the 2015-16 school year and \$1,294.63 for the 2016-17 school year.
- (c) Students in approved exploratory and preparatory career and technical education programs generate a per student MSOC allocation of \$1,431.65 for the 2015-16 school year and \$1,455.99 for the 2016-17 school year.
- (d) Students in grades 9-12 generate per student FTE MSOC allocations in addition to the allocation provided in (a) of this subsection at the following rate:

MSOC Component	2015-16	2016-17		
	SCHOOL	SCHOOL		
	YEAR	YEAR		
Technology	\$36.57	\$37.19		
Curriculum and Textbooks	\$39.89	\$40.57		
Other Supplies and Library Materials	\$83.11	\$84.53		
Instructional Professional	\$6.65	\$6.76		
Development for Certified				
and Classified Staff				
TOTAL GRADE 9-12 BASIC	\$166.22	\$169.05		
EDUCATION MSOC/STUDENT				
FTE				

(9) SUBSTITUTE TEACHER ALLOCATIONS

For the 2015-16 and 2016-17 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, 2015, to August 31, 2015, are adjusted to reflect provisions of chapter 4, Laws of 2013 2nd sp. sess., as amended (allocation of funding for students enrolled in alternative learning experiences).
- (b) 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. 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 ALL DAY KINDERGARTEN PROGRAMS

Funding in this section is sufficient to fund voluntary all day kindergarten programs in qualifying schools in the 2015-16 school year and all schools in the 2016-17 school year, pursuant to RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls for the voluntary all-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 all-day kindergarten programs for 71.88 percent of kindergarten enrollment in the 2015-16 school year and full funding in the 2016-17 school year, which enhancement is within the program of basic education.

(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 fulltime 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 2016 and 2017 as follows:
- (a) \$620,000 of the general fund—state appropriation for fiscal year 2016 and \$631,000 of the general fund—state appropriation for fiscal year 2017 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 2016 and \$436,000 of the general fund—state appropriation for fiscal year 2017 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) \$219,000 of the general fund—state appropriation for fiscal year 2016 and \$223,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for school district emergencies as certified by the superintendent of public instruction. Funding provided must be conditioned upon the written commitment and plan of the school district board of directors to repay the grant with any insurance payments or other judgments that may be awarded, if applicable. 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 consistent with the running start course requirements provided in Engrossed Second Substitute House Bill No.

1546 (dual credit education opportunities). 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) Funding in this section is sufficient to provide full general apportionment payments to school districts eligible for federal forest revenues as provided in RCW 28A.520.020. School districts receiving federal forest revenues shall not have their general apportionment reduced during the 2015-2017 biennium only.

NEW SECTION. Sec. 503. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—BASIC EDUCATION EMPLOYEE COMPENSATION

- (1) The following calculations determine the salaries used in the state allocations for certificated instructional, certificated administrative, and classified staff units as provided in RCW 28A.150.280 and under section 502 of this act:
- (a) Salary allocations for certificated instructional staff units are determined for each district by multiplying the district's certificated instructional total base salary shown on LEAP Document 2 by the district's average staff mix factor for

certificated instructional staff in that school year, computed using LEAP document 1: and

- (b) Salary allocations for certificated administrative staff units and classified staff units for each district are determined based on the district's certificated administrative and classified salary allocation amounts shown on LEAP Document 2.
 - (2) For the purposes of this section:
- (a) "LEAP Document 1" means the staff mix factors for certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on June 28, 2015, at 8:06 hours; and
- (b) "LEAP Document 2" means the school year salary allocations for certificated administrative staff and classified staff and derived and total base salaries for certificated instructional staff as developed by the legislative evaluation and accountability program committee on June 28, 2015, at 8:06
- (3) Incremental fringe benefit factors are applied to salary adjustments at a rate of 20.78 percent for school year 2015-16 and 20.78 percent for school year 2016-17 for certificated instructional and certificated administrative staff and 19.22 percent for school year 2015-16 and 19.22 percent for the 2016-17 school year for classified staff.
- (4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary allocation schedules for certificated instructional staff are established for basic education salary allocations:

Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2015-16 *** Education Experience ***

Years									MA+90
of									OR
Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	Ph.D.
0	35,069	36,016	36,997	37,981	41,137	43,170	42,045	45,201	47,235
1	35,541	36,501	37,495	38,522	41,711	43,732	42,512	45,701	47,722
2	35,991	36,960	37,965	39,071	42,250	44,293	42,983	46,162	48,205
3	36,454	37,433	38,448	39,589	42,763	44,855	43,429	46,600	48,693
4	36,909	37,931	38,952	40,133	43,325	45,432	43,896	47,089	49,197
5	37,378	38,405	39,436	40,683	43,863	46,013	44,371	47,553	49,703
6	37,861	38,865	39,932	41,240	44,405	46,566	44,859	48,024	50,184
7	38,709	39,728	40,809	42,188	45,401	47,621	45,771	48,982	51,204
8	39,950	41,025	42,131	43,625	46,881	49,183	47,206	50,463	52,764
9		42,368	43,529	45,077	48,409	50,789	48,657	51,991	54,371
10			44,944	46,604	49,979	52,439	50,185	53,562	56,021
11				48,175	51,624	54,133	51,756	55,207	57,714
12				49,696	53,313	55,897	53,389	56,895	59,479
13					55,043	57,704	55,079	58,624	61,285
14					56,781	59,579	56,819	60,477	63,161
15					58,259	61,129	58,296	62,049	64,803
16 or more					59,423	62,351	59,462	63,290	66,099

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Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2016-17 *** Education Experience ***

Years									MA+90
of									OR
Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	Ph.D.
0	35,700	36,664	37,663	38,665	41,877	43,946	42,801	46,014	48,085
1	36,181	37,158	38,170	39,215	42,461	44,519	43,277	46,523	48,580
2	36,638	37,625	38,648	39,774	43,011	45,090	43,756	46,993	49,073
3	37,110	38,107	39,140	40,302	43,533	45,662	44,210	47,439	49,569
4	37,573	38,613	39,653	40,855	44,104	46,250	44,686	47,936	50,082
5	38,051	39,096	40,146	41,415	44,652	46,841	45,170	48,409	50,597
6	38,542	39,565	40,650	41,982	45,204	47,404	45,666	48,888	51,087
7	39,405	40,443	41,543	42,947	46,218	48,478	46,595	49,863	52,125
8	40,669	41,763	42,889	44,410	47,724	50,068	48,056	51,371	53,714
9		43,131	44,313	45,888	49,280	51,703	49,533	52,926	55,350
10			45,752	47,442	50,879	53,383	51,088	54,526	57,029
11				49,041	52,553	55,107	52,687	56,200	58,753
12				50,590	54,272	56,903	54,350	57,918	60,550
13					56,033	58,742	56,070	59,679	62,388
14					57,803	60,651	57,842	61,565	64,297
15					59,307	62,229	59,345	63,165	65,969
16 or more					60,493	63,472	60,532	64,429	67,288

- (b) As used in this subsection, the column headings "BA+(N)" refer to the number of credits earned since receiving the baccalaureate degree.
- (c) For credits earned after the baccalaureate degree but before the masters degree, any credits in excess of forty-five credits may be counted after the masters degree. Thus, as used in this subsection, the column headings "MA+(N)" refer to the total of:
 - (i) Credits earned since receiving the masters degree; and
- (ii) Any credits in excess of forty-five credits that were earned after the baccalaureate degree but before the masters degree.
 - (5) For the purposes of this section:
 - (a) "BA" means a baccalaureate degree.
 - (b) "MA" means a masters degree.
 - (c) "PHD" means a doctorate degree.
- (d) "Years of service" shall be calculated under the same rules adopted by the superintendent of public instruction.
- (e) "Credits" means college quarter hour credits and equivalent in-service credits computed in accordance with RCW 28A.415.020 and 28A.415.023.
- (6) No more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in this part V, or any replacement schedules and documents, unless:
 - (a) The employee has a masters degree; or
- (b) The credits were used in generating state salary allocations before January 1, 1992.

(7) The salary allocation schedules established in this section are for allocation purposes only except as provided in RCW 28A.400.200(2).

 General Fund—State Appropriation (FY 2016)
 \$144,596,000

 General Fund—State Appropriation (FY 2017)
 \$273,916,000

 TOTAL APPROPRIATION
 \$418,512,000

- (1) Funding in this section is sufficient to provide a salary increase of 3.0 percent effective September 1, 2015, and 1.8 percent effective September 1, 2016. Of the salary increases provided in this section, the increases of 1.8 percent effective September 1, 2015, and of 1.2 percent effective September 1, 2016, are provided as annual cost-of-living adjustments pursuant to Initiative Measure No. 732. The remaining portions of the salary increases are provided as a one-biennium salary increase for the 2015-16 and 2016-17 school years as the state continues to review and revise state-funded salary allocations, and the increase expires August 31, 2017.
- (2)(a) Additional salary adjustments as necessary to fund the base salaries for certificated instructional staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act.
- (b) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for certificated administrative staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act.
- (c) Additional salary adjustments to certain districts as necessary to fund the per full-time-equivalent salary allocations for classified staff as listed for each district in LEAP Document 2, defined in section 503(2)(b) of this act.
- (d) The appropriations in this subsection (1) include associated incremental fringe benefit allocations at 20.78 percent for the 2015-16 school year and 20.78 percent for the 2016-17 school year for certificated instructional and certificated administrative staff and 19.22 percent for the 2015-16 school year and 19.22 percent for the 2016-17 school year for classified staff.
- (e) The appropriations in this section include the increased or decreased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in part V of this act. Changes for general apportionment (basic education) are based on the salary allocation schedules and methodology in sections 502 and 503 of this act. Changes for special education result from changes in each district's basic education allocation per student. Changes for educational service districts and institutional education programs are determined by the superintendent of public instruction using the methodology for general apportionment salaries and benefits in sections 502 and 503 of this act.
- (f) The appropriations in this section include no salary adjustments for substitute teachers
- (3) The maintenance rate for insurance benefit allocations is \$768.00 per month for the 2015-16 and 2016-17 school years. The appropriations in this section reflect the incremental change in cost of allocating rates of \$780.00 per

month for the 2015-16 school year and \$780.00 per month for the 2016-17 school year.

(4) The rates specified in this section are subject to revision each year by the legislature.

NEW SECTION. Sec. 505. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION

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General Fund—State Appropriation (FY 2016)	\$462,616,000
General Fund—State Appropriation (FY 2017)	\$464,507,000
TOTAL APPROPRIATION	\$927,123,000

- (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 2015-16 and 2016-17 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 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 2015-16 and 2016-17 school years, 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.
- (c) From July 1, 2015 to August 31, 2015, the superintendent shall allocate funding to school districts programs for the transportation of students as provided in section 505, chapter 4, Laws of 2013 2nd sp. sess., as amended.
- (3) A maximum of \$892,000 of this fiscal year 2016 appropriation and a maximum of \$892,000 of the fiscal year 2017 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) 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) The superintendent of public instruction shall base depreciation payments for school district buses on the presales 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) 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) The office of the superintendent of public instruction shall annually disburse payments for bus depreciation in August.

NEW SECTION. Sec. 506. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL FOOD SERVICE **PROGRAMS**

General Fund—State Appropriation (FY 2016)	\$7,111,000
General Fund—State Appropriation (FY 2017)	\$7,111,000
General Fund—Federal Appropriation	\$526,332,000
TOTAL APPROPRIATION	\$540,554,000

The appropriations in this section are subject to the following conditions and limitations: \$7,111,000 of the general fund—state appropriation for fiscal year 2016 and \$7,111,000 of the general fund—state appropriation for fiscal year 2017 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:

- (1) 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;
- (2) 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;
- (3) 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
- (4) 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 subsections (1), (2), and (3) of this section.

NEW SECTION. Sec. 507. FOR THE SUPERINTENDENT OF PURLIC INSTRUCTION—FOR SPECIAL EDUCATION PROGRAMS

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General Fund—State Appropriation (FY 2016) \$814,541,000
General Fund—State Appropriation (FY 2017) \$864,715,000
General Fund—Federal Appropriation
Education Legacy Trust Account—State Appropriation \$54,694,000
TOTAL APPROPRIATION\$2,210,489,000

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

(1)(a) 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.

- (b) Funding provided within this section is sufficient for districts to provide school principals and lead special education teachers annual professional development on the best-practices for special education instruction and strategies for implementation. Districts shall annually provide a summary of professional development activities to the office of the superintendent of public instruction.
 - (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 2015-16 and 2016-17 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 provided under section 502(4) for parent involvement coordinators in prototypical elementary schools and guidance counselors in prototypical middle schools as provided under section 502(2), which enhancement is within the program of basic education.
- (b) From July 1, 2015 to August 31, 2015, the superintendent shall allocate funding to school district programs for special education students as provided in section 507, chapter 4, Laws of 2013 2nd 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) \$23,679,000 of the general fund—state appropriation for fiscal year 2016, \$28,092,000 of the general fund—state appropriation for fiscal year 2017, 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 2015-16 and 2016-17 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, except that the superintendent of public instruction shall make award determinations for state safety net funding in July of each school year for the Washington state school for the blind and for the center for childhood deafness and hearing loss. 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 \$931,000 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) \$255,000 of the general fund—state appropriation for fiscal year 2016 and \$256,000 of the general fund—state appropriation for fiscal year 2017 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 2016, \$50,000 of the general fund—state appropriation for fiscal year 2017, and \$100,000 of the general fund—federal appropriation are provided solely for a special education family liaison position within the office of the superintendent of public instruction.

NEW SECTION Sec. 508. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE DISTRICTS General Fund—State Appropriation (FY 2016) \$8,219,000 General Fund—State Appropriation (FY 2017) \$8,205,000 TOTAL APPROPRIATION \$16.424,000

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).

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 - (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.

NEW SECTION. Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT ASSISTANCE

General Fund—State Appropriation (FY 2016)	\$365,446,000
General Fund—State Appropriation (FY 2017)	\$377,398,000
TOTAL APPROPRIATION	\$742,844,000

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 4.27 percent from the 2014-15 school year to the 2015-16 school year and 1.09 percent from the 2015-16 school year to the 2016-17 school vear.

FOR THE SUPERINTENDENT OF NEW SECTION. Sec. 510. PUBLIC INSTRUCTION—FOR INSTITUTIONAL EDUCATION **PROGRAMS**

General Fund—State Appropriation (FY 2016)	\$13,967,000
General Fund—State Appropriation (FY 2017)	\$14,003,000
TOTAL APPROPRIATION	\$27,970,000

- (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) \$685,000 of the general fund—state appropriation for fiscal year 2016 and \$685,000 of the general fund—state appropriation for fiscal year 2017 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.

<u>NEW SECTION.</u> Sec. 511. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund—State Appropriation (FY 2016)	\$10,002,00	0
General Fund—State Appropriation (FY 2017)	\$10,189,00	0
TOTAL APPROPRIATION		

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 2015-16 and 2016-17 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, 2015, to August 31, 2015, the superintendent shall allocate funding to school districts programs for highly capable students as provided in section 511, chapter 4, Laws of 2013 2nd sp. sess., as amended.
- (3) \$85,000 of the general fund—state appropriation for fiscal year 2016 and \$85,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the centrum program at Fort Worden state park.

<u>NEW SECTION.</u> Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR MISCELLANEOUS—NO CHILD LEFT BEHIND ACT

General Fund—Federal Appropriation	 ,000
TOTAL APPROPRIATION	 ,000

<u>NEW SECTION.</u> Sec. 513. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—EDUCATION REFORM PROGRAMS

General Fund—State Appropriation (FY 2016)	5120,121,000
General Fund—State Appropriation (FY 2017)	5122,191,000
General Fund—Federal Appropriation	\$94,180,000
General Fund—Private/Local Appropriation	. \$2,721,000
Education Legacy Trust Account—State Appropriation	. \$1,613,000
TOTAL APPROPRIATION	340,826,000

- (1) \$33,620,000 of the general fund—state appropriation for fiscal year 2016, \$34,504,000 of the general fund—state appropriation for fiscal year 2017, \$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: (a) Development and implementation of retake assessments for high school students who are not successful in one or more content areas; and (b) 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. Within the amounts provided in this section, the superintendent of public instruction shall administer the biology collection of evidence. The alternative assessment method that consists of an evaluation of a collection of student work samples under RCW 28A.655.065 (5) and (6) is intended to provide an alternative way for students to meet the state standards for high school graduation purposes. To ensure that students are learning the state standards, prior to the collection of work samples being submitted to the state for evaluation, a classroom teacher or other educator must review the collection of work to determine whether the sample is likely to meet the minimum required score to meet the state standard.
- (2) \$356,000 of the general fund—state appropriation for fiscal year 2016 and \$356,000 of the general fund—state appropriation for fiscal year 2017 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) \$3,935,000 of the general fund—state appropriation for fiscal year 2016 and \$3,935,000 of the general fund—state appropriation for fiscal year 2017 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) \$49,877,000 of the general fund—state appropriation for fiscal year 2016 and \$50,334,000 of the general fund—state appropriation for fiscal year 2017 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:

- (a) For national board certified teachers, a bonus of \$5,151 per teacher in the 2015-16 school year and a bonus of \$5,239 per teacher in the 2016-17 school year;
- (b) 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;
- (c) The superintendent of public instruction shall adopt rules to ensure that national board certified teachers meet the qualifications for bonuses under (b) of this subsection for less than one full school year receive bonuses in a prorated manner. All bonuses in this subsection will be paid in July of each school year. Bonuses in 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
- (d) During the 2015-16 and 2016-17 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 2016 and \$477,000 of the general fund—state appropriation for fiscal year 2017 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 2016 and \$950,000 of the general fund—state appropriation for fiscal year 2017 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 2016 and \$810,000 of the general fund—state appropriation for fiscal year 2017 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) \$3,000,000 of the general fund—state appropriation for fiscal year 2016 and \$3,000,000 of the general fund—state appropriation for fiscal year 2017 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) \$1,677,000 of the general fund—state appropriation for fiscal year 2016 and \$1,677,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for secondary career and technical education grants pursuant to chapter 170, Laws of 2008. If equally matched by private donations, \$700,000 of the 2016 appropriation and \$700,000 of the 2017 appropriation shall be used to support FIRST robotics programs. Of the amounts in this subsection, \$100,000 of the fiscal year 2016 appropriation and \$100,000 of the fiscal year 2017 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 2016 and \$125,000 of the general fund—state appropriation for fiscal year 2017 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 2016 and \$135,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for science, technology, engineering and mathematics lighthouse projects, consistent with chapter 238, Laws of 2010.
- (12) \$5,500,000 of the general fund—state appropriation for fiscal year 2016 and \$5,500,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a beginning educator support program. The program shall prioritize first year teachers in the mentoring program. School districts and/or regional consortia may apply for grant funding. 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. Funding 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 2016 and \$250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for advanced project lead the way courses at ten high schools. To be eligible for funding in 2016, a high school must have offered a foundational project lead the way course during the 2014-15 school year. The 2016 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 2015-16 school year. To be eligible for funding in 2016, a high school must have offered a foundational project lead the way course during the 2015-16 school year. The 2017 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 2016-17 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 2016 and \$300,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for annual start-up or expansion grants for aerospace and manufacturing technical programs housed at four skill centers. The grants are provided for 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. 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 2016 and \$150,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for annual start-up or expansion grants to six high schools to implement or expand the aerospace assembler program. 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) \$5,000,000 of the general fund—state appropriation for fiscal year 2016 and \$5,000,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the provision of training for teachers in the performance-based teacher principal evaluation program.
- (17) \$7,235,000 of the general fund—state appropriation for fiscal year 2016 and \$9,352,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of chapter 159, Laws of 2013 (Engrossed Second Substitute Senate Bill No. 5329) (persistently failing schools).
- (18) \$100,000 of the general fund—state appropriation for fiscal year 2016 and \$100,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to promote the financial literacy of students. The effort will be coordinated through the financial literacy public-private partnership.
- (19) \$99,000 of the general fund—state appropriation for fiscal year 2016 is 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) \$2,194,000 of the general fund—state appropriation for fiscal year 2016 and \$2,194,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to implement chapter 18, Laws of 2013 2nd sp. sess. (Engrossed Substitute Senate Bill No. 5946) (strengthening student educational outcomes).
- (21) \$1,061,000 of the general fund—state appropriation for fiscal year 2016 and \$1,061,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for chapter 184, Laws of 2013 (Second Substitute House Bill No. 1642) (academic acceleration).
- (22) \$36,000 of the general fund—state appropriation for fiscal year 2016 and \$36,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for chapter 212, Laws of 2014 (Substitute Senate Bill No. 6074) (homeless student educational outcomes).
- (23) \$80,000 of the general fund—state appropriation for fiscal year 2016 and \$80,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for chapter 219, Laws of 2014 (Second Substitute Senate Bill No. 6163) (expanded learning).
- (24) \$15,000 of the general fund—state appropriation for fiscal year 2016 and \$10,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for chapter 102, Laws of 2014 (Senate Bill No. 6424) (biliteracy seal).
- (25) \$500,000 of the general fund—state appropriation for fiscal year 2016 and \$500,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the office of the superintendent of public instruction to contract with a nonprofit organization to integrate the state learning standards in English language arts, mathematics, and science with outdoor field studies and project-based and work-based learning opportunities aligned with the environmental, natural resource, and agricultural sectors.
- (26) \$1,392,000 of general fund—state appropriation for fiscal year 2016 is provided solely for professional development and coaching for state-funded high school mathematics and science teachers. Training shall be provided in the 2015-16 school year by the science and mathematics coordinators at each educational service district. The professional development shall include instructional strategies and curriculum-specific training to improve outcomes for the statewide high school mathematics assessment or the high school biology assessment. The professional development provided may be broken up into shorter timeframes over the course of more than one day, but the aggregate amount of professional development provided shall be one full work day.

<u>NEW SECTION.</u> Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund—State Appropriation (FY 2017)	\$121,869,000
General Fund—Federal Appropriation	\$72,207,000
TOTAL APPROPRIATION	\$312.133.000

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

- (1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.
- (2)(a) For the 2015-16 and 2016-17 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 2015-16 and 2016-17; (ii) additional instruction of 3.0000 hours per week in school years 2015-16 and 2016-17 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; (iii) fifteen transitional bilingual program students per teacher; (iv) 36 instructional weeks per year; (v) 900 instructional hours per teacher; and (vi) the district's average staff mix and compensation rates as provided in sections 503 and 504 of this act. Pursuant to RCW 28A.180.040(1)(g), the instructional hours specified in (a)(ii) of this subsection (2) are within the program of basic education.
- (b) From July 1, 2015, to August 31, 2015, the superintendent shall allocate funding to school districts for transitional bilingual instruction programs as provided in section 514, chapter 4, Laws of 2013, 2nd 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: 1.15 percent for school year 2015-16 and 1.12 percent for school year 2016-17.
- (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 2016 and \$35,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to track current and former transitional bilingual program students.

<u>NEW SECTION.</u> Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING ASSISTANCE PROGRAM

General Fund—State Appropriation (FY 2016)	\$223,440,000
General Fund—State Appropriation (FY 2017)	\$227,490,000
General Fund—Federal Appropriation	\$448,468,000
TOTAL APPROPRIATION	\$899,398,000

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 2015-16 and 2016-17 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 2015-16 school year and the 2016-17 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, 2015, to August 31, 2015, the superintendent shall allocate funding to school districts for learning assistance programs as provided in section 515, chapter 4, Laws of 2013, 2nd 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. 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.
- (5) Within existing resources, during the 2015-16 and 2016-17 school years, school districts are authorized to use funds allocated for the learning assistance program to also provide assistance to high school students who have not passed the state assessment in science.

${\underline{\rm NEW}}$ SECTION. Sec. 516. 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) 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.
- (5) State general fund appropriations distributed through Part V of this act for the operation and administration of charter schools as provided in chapter 28A.710 RCW shall not include state common school levy revenues collected under RCW 84.52.065.

$\underline{\text{NEW}}$ SECTION. Sec. 517. FOR THE WASHINGTON STATE CHARTER SCHOOL COMMISSION

General Fund—State Appropriation (FY 2016)	\$490,000
General Fund—State Appropriation (FY 2017)	\$336,000
Charter Schools Oversight Account—State Appropriation	\$737,000
TOTAL APPROPRIATION	\$1 563 000

PART VI HIGHER EDUCATION

<u>NEW SECTION.</u> **Sec. 601.** The appropriations in sections 605 through 611 of this act are subject to the following conditions and limitations:

- (1) "Institutions" means the institutions of higher education receiving appropriations under sections 605 through 611 of this act.
- (2) The legislature, the office of financial management, and other state agencies need consistent and accurate personnel data from institutions of higher education for policy planning purposes. Institutions of higher education shall report personnel data to the office of financial management for inclusion in the agency's data warehouse. Uniform reporting procedures shall be established by the office of financial management's office of the state human resources director for use by the reporting institutions, including provisions for common job classifications and common definitions of full-time equivalent staff. Annual contract amounts, number of contract months, and funding sources shall be consistently reported for employees under contract.
- (3) In addition to waivers granted under the authority of RCW 28B.15.910, the governing boards and the state board may waive all or a portion of operating fees for any student. State general fund appropriations shall not be provided to replace tuition and fee revenue foregone as a result of waivers granted under this subsection.

- (4)(a) For institutions receiving appropriations in section 605 of this act, the only allowable salary increases provided are those with normally occurring promotions and increases related to faculty and staff retention, except as provided in Part IX of this act. In fiscal year 2016 and fiscal year 2017, the state board for community and technical colleges may use salary and benefit savings from faculty turnover to provide salary increments and associated benefits for faculty who qualify through professional development and training.
- (b) For employees under the jurisdiction of chapter 41.56 RCW, salary increases will be in accordance with the applicable collective bargaining agreement. However, an increase shall not be provided to any classified employee whose salary is above the approved salary range maximum for the class to which the employee's position is allocated.
- (c) For each institution of higher education receiving appropriations under sections 606 through 611 of this act:
- (i) The only allowable salary increases are those associated with normally occurring promotions and increases related to faculty and staff retention and as provided in Part IX of this act; and
- (ii) Institutions may provide salary increases from other sources to instructional and research faculty at the universities and The Evergreen State College, exempt professional staff, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under chapter 41.80 RCW. Any salary increase granted under the authority of this subsection (4)(c)(ii) shall not be included in an institution's salary base for future state funding. It is the intent of the legislature that state general fund support for an institution shall not increase during the current or any future biennium as a result of any salary increases authorized under this subsection (4)(c)(ii).
- (5) Fiscal or related staff for institutions receiving appropriations in sections 605 through 611 of this act shall form a technical tuition calculation work group with staff from the office of financial management including the education research and data center, nonpartisan legislative fiscal staff, and staff from legislative evaluation and accountability program. The work group shall determine key elements, definitions, assumptions, and drivers to forecast tuition revenue. By December 1, 2015, the work group shall recommend a single methodology for budget, allotment, and budget scenario modeling purposes. The work group may consult with the caseload forecast council as needed.

<u>NEW SECTION.</u> **Sec. 602.** (1) Within the amounts appropriated in this act, 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:

	2015-16	2016-17
	Annual Average	Annual Average
University of Washington	37,162	37,162
Washington State University	22,538	22,538

Central Washington University	9,105	9,105
Eastern Washington University	8,734	8,734
The Evergreen State College	4,213	4,213
Western Washington University	11,762	11,762
State Board for Community & Technical Colleges		
Adult Students	139,927	139,927
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 instate 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.

<u>NEW SECTION.</u> Sec. 603. PUBLIC BACCALAUREATE INSTITUTIONS

- (1) The state universities, the regional universities, and The Evergreen State College must accept the transfer of college-level courses taken by students under RCW 28A.600.290 or 28A.600.300 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.
- (2) Appropriations in sections 606 through 611 of this act are sufficient to implement 2015-17 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 increasing compensation and implementing other collective bargaining agreements.

<u>NEW SECTION.</u> Sec. 604. STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

Appropriations in section 605 of this act are sufficient to implement 2015-17 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 increasing compensation, and implementing other collective bargaining agreements.

NEW SECTION. Sec. 605. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES Community/Technical College Capital Projects Education Legacy Trust Account—State

- (1) \$33,261,000 of the general fund—state appropriation for fiscal year 2016 and \$33,261,000 of the general fund—state appropriation for fiscal year 2017 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 2016 and at least 7,170 full-time equivalent students in fiscal year 2017.
- (2) \$5,450,000 of the education legacy trust account—state appropriation is provided solely for administration and customized training contracts through the job skills program. The state board shall make an annual report by January 1st of each year to the governor and to the appropriate policy and fiscal committees of the legislature regarding implementation of this section, listing the scope of grant awards, the distribution of funds by educational sector and region of the state, and the results of the partnerships supported by these funds.
- (3) \$425,000 of the general fund—state appropriation for fiscal year 2016 and \$425,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for Seattle central college's expansion of allied health programs.
- (4) \$16,672,000 of the general fund—state appropriation for fiscal year 2016 and \$17,027,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.
- (5) \$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.
- (6) \$410,000 of the general fund—state appropriation for fiscal year 2016, and \$410,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the expansion of the mathematics, engineering, and science achievement program. The state board shall report back to the appropriate committees of the legislature on the number of campuses and students served by December 31, 2018.
- (7) \$750,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for Bellevue college to develop a baccalaureate of science

degree in computer science. Subject to approval by the state board for community and technical colleges, in fiscal year 2016 Bellevue college shall develop a baccalaureate of science degree in computer science. This degree must be directed at high school graduates who may enroll directly as freshmen and transfer-oriented degree and professional and technical degree holders. Bellevue college will develop a plan for offering this new degree by no later than fall quarter 2016. With the exception of the amounts provided in this subsection, the plan must assume funding for this new degree will come through redistribution of the college's current per full-time enrollment funding. The plan shall be delivered to the state board by June 30, 2016.

- (8) Pursuant to aerospace industry appropriations (chapter 1, Laws of 2013 3rd sp. sess.), \$1,080,000 of the general fund—state appropriation for fiscal year 2016 and \$1,500,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for operating a fabrication composite wing incumbent worker training program to be housed at the Washington aerospace training and research center.
- (9) \$150,000 of the general fund—state appropriation for fiscal year 2016 and \$150,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the state board to conduct a feasibility study for a potential new community and technical college in the Graham, Washington area.
- (10) \$100,000 of the general fund—state appropriation for fiscal year 2016 and \$100,000 of the general fund—state appropriation for fiscal year 2017 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.
- (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.
- (12) The state board for community and technical colleges shall not use funds appropriated in this section to support intercollegiate athletics programs.

NEW SECTION. Sec.	606.	FOR	THE	UNIVERSITY	OF
WASHINGTON					
General Fund—State Appropriat	ion (FY	2016)		\$278,887	,000
General Fund—State Appropriat	ion (FY	2017)		\$312,687	,000
Education Legacy Trust Account	-State	e Appropr	iation .	\$27,998	000,
Economic Development Strategie	c Reser	ve Accou	nt—		
State Appropriation				\$3,010	,000
Biotoxin Account—State Approp	oriation			\$392	,000
Accident Account—State Appropriate	priation	1		\$7,108	,000
Medical Aid Account—State Ap	propria	tion		\$6,730	,000
Aquatic Land Enhancement Acco					

Dedicated Marijuana Account—State Appropriation Dedicated Marijuana Account—State Appropriation (FY 2017).....\$227,000

- (1) \$52,000 of the general fund—state appropriation for fiscal year 2016 and \$52,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the center for international trade in forest products in the college of forest resources.
- (2) \$200,000 of the general fund—state appropriation for fiscal year 2016 and \$200,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for labor archives of Washington. The university shall work in collaboration with the state board for community and technical colleges.
- (3) \$8,000,000 of the education legacy trust account—state appropriation is provided solely for the family medicine residency network at the university to expand the number of residency slots available in Washington.
- (4) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or bestpractices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.
- (5) \$1,550,000 of the aquatic lands enhancement account—state is provided solely for ocean acidification monitoring, forecasting, and research and for operation of the Washington ocean acidification center. By September 1, 2015, the center must provide a biennial work plan and begin quarterly progress reports to the Washington marine resources advisory council created under RCW 43.06.338.
- (6) \$6,000,000 of the education legacy trust account—state appropriation is provided solely for the expansion of degrees in the department of computer science and engineering at the Seattle campus.
- (7) \$10,018,000 of the general fund—state appropriation for fiscal year 2016 and \$34,053,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.
- (8) \$3,000,000 of the economic development strategic reserve account appropriation is provided solely to support the joint center for aerospace innovation technology.
- (9) The University of Washington shall not use funds appropriated in this section to support intercollegiate athletics programs.
- (10) \$250,000 of the general fund—state appropriation for fiscal year 2016 and \$250,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the latino health center.

- (11) \$200,000 of the general fund—state appropriation for fiscal year 2016 and \$200,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the climate impacts group in the college of the environment.
- (12) To the extent federal or private funding is available for this purpose, the center for education data and research at the University of Washington shall examine the relationship between participation in pension systems and teacher quality and mobility patterns in the state, including changes in the patterns that have occurred since the 2009-2011 fiscal biennium. The department of retirement systems shall facilitate University of Washington researchers' access to necessary individual-level data necessary to effectively conduct the study. The University of Washington shall ensure that no individually identifiable information will be disclosed at any time. An interim report on project findings must be completed by November 15, 2015, and a final report must be submitted to the governor and to the relevant committees of the legislature by October 15, 2016.
- (13) \$3,600,000 of the general fund—state appropriation for fiscal year 2016 and \$5,400,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the continued operations of the Washington, Wyoming, Alaska, Montana, Idaho medical school program.
- (14) Within the amounts provided in this section, the university must determine the feasibility of establishing inter-agency agreements with the department of corrections and the special commitment center within the department of social and health services to provide each entity with discount pricing on prescription hepatitis C medications or other prescription medications as allowed under section 340B of the public health services act. By January 1, 2016, the university must submit a report to the relevant policy and fiscal committees of the legislature that includes the following:
- (a) Description of the steps required to achieve institutional cooperation on 340B pricing;
 - (b) Identification of barriers to achieving such an agreement;
 - (c) Where possible, possible solutions to overcoming these barriers;
- (d) Estimates of the fiscal impact of this agreement in the 2015-2017 and 2017-2019 fiscal biennia; and
 - (e) Timeline for implementation of such an agreement.

The inter-agency agreements must be in place prior to July 1, 2016, and the agreements must not jeopardize the University of Washington's current compliance status with 340B program rules and regulations.

- (1) \$90,000 of the general fund—state appropriation for fiscal year 2016 and \$90,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a rural economic development and outreach coordinator.
- (2) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.
- (3) \$1,000,000 of the general fund—state appropriation for fiscal 2016 and \$630,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the creation of an electrical engineering program located in Bremerton. At full implementation, the university is expected to increase degree production by 25 new bachelor's degrees per year. The university must identify these students separately when providing data to the education research data center as required in subsection (2) of this section.
- (4) \$1,000,000 of the general fund—state appropriation for fiscal year 2016 and \$1,370,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the creation of software engineering and data analytic programs at the university center in Everett. At full implementation, the university is expected to enroll 50 students per academic year. The university must identify these students separately when providing data to the education research data center as required in subsection (2) of this section.
- (5) \$500,000 of the general fund—state appropriation for fiscal year 2016 and \$500,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for state match requirements related to the federal aviation administration grant.
- (6) Washington State University shall not use funds appropriated in this section to support intercollegiate athletic programs.
- (7) \$8,714,000 of the general fund—state appropriation for fiscal year 2016 and \$25,266,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.
- (8) \$1,098,000 of the general fund—state appropriation for fiscal year 2016 and \$1,402,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for development of a medical school in Spokane. Funding must support the development of the curriculum, the courses, the faculty, and the administrative structure required by the liaison committee on medical education.

NEW SECTION. Sec. 608. FOR EASTERN WASHINGTON UNIVERSITY General Fund—State Appropriation (FY 2016) \$38,603,000 General Fund—State Appropriation (FY 2017) \$47,498,000 Education Legacy Trust Account—State Appropriation \$16,598,000 TOTAL APPROPRIATION \$102,699,000

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 2016 and at least \$200,000 of the general fund—state appropriation for fiscal year 2017 must be expended on the Northwest autism center.
- (2) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.
- (3) Eastern Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.
- (4) \$750,000 of the general fund—state appropriation for fiscal year 2016 and \$750,000 of the general fund—state appropriation are provided solely for student success and advising programs that lead to increased degree completion.
- (5) \$2,386,000 of the general fund—state appropriation for fiscal year 2016 and \$9,171,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.

${ m NEW}$ SECTION. Sec. 609. FOR CENTRAL WASHINGTON UNIVERSITY

General Fund—State Appropriation (FY 2016)	\$36,947,000
General Fund—State Appropriation (FY 2017)	\$47,405,000
Education Legacy Trust Account—State Appropriation	\$19,076,000
TOTAL APPROPRIATION	\$103,428,000

- (1) The university must continue work with the education research and data center to demonstrate progress in engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in engineering programs above the prior academic year.
- (2) Central Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.
- (3) \$750,000 of the general fund—state appropriation for fiscal year 2016 and \$750,000 of the general fund—state appropriation are provided solely for student success and advising programs that lead to increased degree completion.
- (4) \$2,757,000 of the general fund—state appropriation for fiscal year 2016 and \$10,632,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.

${ m \underline{NEW}}$ SECTION. Sec. 610. FOR THE EVERGREEN STATE COLLEGE

General Fund—State Appropriation (FY 2016)	\$22,068,000
General Fund—State Appropriation (FY 2017)	\$25,261,000
Education Legacy Trust Account—State Appropriation	. \$5,450,000
TOTAL APPROPRIATION	\$52,779,000

- (1) \$39,000 of the general fund—state appropriation for fiscal year 2016 and \$55,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of chapter 244, Laws of 2015 (college bound).
- (2) \$39,000 of the general fund—state appropriation for fiscal year 2016 and \$32,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of Engrossed Second Substitute House Bill No. 1491 (early care & education system). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.
- (3) \$885,000 of the general fund—state appropriation for fiscal year 2016 and \$3,411,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.
- (4) \$40,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for the tuition metric study in Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.
- (5) \$121,000 of the general fund—state appropriation for fiscal year 2016 is provided solely for implementation of section 15 of chapter 269, Laws of 2015 (mental health/involuntary outpatient). If the bill is not enacted by July 10, 2015, the amount provided in this subsection shall lapse.
- (6) \$295,000 of the general fund—state appropriation for fiscal year 2016 and \$295,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the Washington state institute of public policy to contract with an objective, non-partisan, nationally known organization to examine policy options for increasing the availability of primary care services in rural Washington.
- (7) \$750,000 of the general fund—state appropriation for fiscal year 2016 and \$750,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for student success and advising programs that lead to increased degree completion.
- (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) \$50,000 of the general fund—state appropriation for fiscal year 2016 and \$50,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the institute to review existing research literature and begin a four-year study to evaluate outcomes regarding the cost effectiveness of FDA approved long-acting injectable medications that are indicated for the treatment

of alcohol and opiate dependence. Any outcome evaluation will be focused on potential benefits to prison offenders being released into the community and the effects on recidivism. The institute shall submit a report summarizing cost-effectiveness findings from the existing research literature to the appropriate committees of the legislature by December 31, 2016.

- (10) 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 2015-2017 work plan as necessary to efficiently manage workload.
- (11) The Evergreen State College shall not use funds appropriated in this section to support intercollegiate athletics programs.

NEW SECTION. Sec. 611. FOR WESTERN WASHINGTON UNIVERSITY General Fund—State Appropriation (FY 2016) . \$53,332,000 General Fund—State Appropriation (FY 2017) . \$66,059,000 Education Legacy Trust Account—State Appropriation . \$13,720,000 TOTAL APPROPRIATION . \$133,111,000

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

- (1) The university must continue work with the education research and data center to demonstrate progress in computer science and engineering enrollments. By September 1st of each year, the university shall provide a report including but not limited to the cost per student, student completion rates, and the number of low-income students enrolled in each program, any process changes or best-practices implemented by the university, and how many students are enrolled in computer science and engineering programs above the prior academic year.
- (2) \$910,000 of the general fund—state appropriation for fiscal year 2016 and \$630,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the creation of a computer and information systems security program located at Olympic college Poulsbo. The university is expected to enroll 30 students each academic year beginning in fiscal year 2017. The university must identify these students separately when providing data to the educational data centers as required in (1) of this section.
- (3) Western Washington University shall not use funds appropriated in this section to support intercollegiate athletics programs.
- (4) \$3,656,000 of the general fund—state appropriation for fiscal year 2016 and \$14,087,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 612. FOR THE STUDENT ACHIEVEMENT COUNCIL—POLICY COORDINATION AND ADMINISTRATION General Fund—State Appropriation (FY 2016) \$5,528,000 General Fund—Federal Appropriation (FY 2017) \$5,631,000 General Fund—Federal Appropriation \$4,859,000 TOTAL APPROPRIATION \$16,018,000

<u>NEW SECTION.</u> Sec. 613. FOR THE STUDENT ACHIEVEMENT COUNCIL—OFFICE OF STUDENT FINANCIAL ASSISTANCE

General Fund—State Appropriation (FY 2016)	. \$260,978,000
General Fund—State Appropriation (FY 2017)	. \$244,061,000
General Fund—Federal Appropriation	\$11,798,000
General Fund—Private/Local Appropriation	\$300,000
Education Legacy Trust Account—State Appropriation	\$33,670,000
Health Professional Loan Repayment Scholarship	
Program Account—State Appropriation	\$1,720,000
Washington Opportunity Pathways Account—State	
Appropriation	. \$175,000,000
TOTAL APPROPRIATION	\$727 527 000

- (1) \$230,217,000 of the general fund—state appropriation for fiscal year 2016, \$212,760,000 of the general fund—state appropriation for fiscal year 2017, \$12,000,000 of the education legacy trust account—state appropriation, and \$135,000,000 of the Washington opportunity pathways account—state appropriation are provided solely for student financial aid payments under the state need grant, implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program), and state work study programs including up to four percent administrative allowance for the state work study program.
- (2) Changes made to the state need grant program in the 2011-2013 fiscal biennium are continued in the 2015-2017 fiscal biennium. For the 2015-2017 fiscal biennium, awards given to private institutions shall be the same amount as the prior year.
- (3) Changes made to the state work study program in the 2009-2011 and 2011-2013 fiscal biennia are continued in the 2015-2017 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 includes 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 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. These eligible college bound students whose family incomes are in the 0-65 percent median family income ranges must 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. The council shall provide directions to institutions to maximize the number of college bound scholarship students receiving the maximum state need grant for which they are eligible with a goal of 100 percent coordination. Institutions shall identify all college bound scholarship students to receive state need grant priority. If an institution is unable to identify all college bound scholarship students at the time of initial state aid packaging, the institution should reserve state need grant funding sufficient to cover the projected enrollments of college bound scholarship students.

- (b) In calculating the college bound award, public institutions of higher education are 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.
- (6) \$21,670,000 of the education legacy trust account—state appropriation and \$40,000,000 of the opportunity pathways account—state appropriation are provided solely for the college bound scholarship program, implementation of Second Engrossed Substitute Senate Bill No. 5954 (college affordability program), and may support scholarships for summer session.
- (7) \$2,236,000 of the general fund—state appropriation for fiscal year 2016 and \$2,236,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the passport to college program. The maximum scholarship award is up to \$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 2016 and 2017 for this purpose.
- (8) \$20,000,000 of the general fund—state appropriation for fiscal year 2016 and \$21,000,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to meet state match requirements associated with the opportunity scholarship program. The legislature will evaluate subsequent appropriations to the opportunity scholarship program based on the extent that additional private contributions are made, program spending patterns, and fund balance.
- (9) \$3,825,000 of the general fund—state appropriation for fiscal year 2016 and \$3,825,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for expenditure into the health professionals loan repayment and scholarship program account. These amounts and \$1,720,000 appropriated from the health professionals loan repayment and scholarship program account must be used to increase the number of licensed primary care health professionals to serve in licensed primary care health professional critical shortage areas. The office of student financial assistance and the department of health shall prioritize a portion of any nonfederal balances in the health professional loan repayment and scholarship fund for conditional loan repayment contracts with psychiatrists and with advanced registered nurse practitioners for work at one of the stateoperated psychiatric hospitals. The office and department shall designate the state hospitals as health professional shortage areas if necessary for this purpose. The office shall coordinate with the department of social and health services to effectively incorporate three conditional loan repayments into the department's advanced psychiatric professional recruitment and retention strategies. The

office may use these targeted amounts for other program participants should there be any remaining amounts after eligible psychiatrists and advanced registered nurse practitioners have been served. The office shall also work to prioritize loan repayments to professionals working at health care delivery sites that demonstrate a commitment to serving uninsured clients.

- (10) \$56,000 of the general fund—state appropriation for fiscal year 2016 and \$42,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the council to design and implement a program that provides customized information to high-achieving (as determined by local school districts), low-income, high school students. "Low-income" means students who are from low-income families as defined by the education data center in RCW 43.41.400. For the purposes of designing, developing, and implementing the program, the council shall partner with a national entity that offers aptitude tests and shall consult with institutions of higher education with a physical location in Washington. The council shall implement the program no later than fall 2016, giving consideration to spring mailings in order to capture early action decisions offered by institutions of higher education and nonprofit baccalaureate degree-granting institutions. The information packet for students must include at a minimum.
 - (a) Materials that help students to choose colleges;
 - (b) An application guidance booklet;
- (c) Application fee waivers, if available, for four-year institutions of higher education and independent nonprofit baccalaureate degree-granting institutions in the state that enable students receiving a packet to apply without paying application fees;
- (d) Information on college affordability and financial aid that includes information on the net cost of attendance for each four-year institution of higher education and each nonprofit baccalaureate degree-granting institution, and information on merit and need-based aid from federal, state, and institutional sources; and
- (e) A personally addressed cover letter signed by the governor and the president of each four-year institution of higher education and nonprofit baccalaureate degree-granting institution in the state.

<u>NEW SECTION.</u> Sec. 614. FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund—State Appropriation (FY 2016)	. \$1,646,000
General Fund—State Appropriation (FY 2017)	. \$1,668,000
General Fund—Federal Appropriation	\$55,142,000
General Fund—Private/Local Appropriation	\$72,000
TOTAL APPROPRIATION	\$58 528 000

The appropriations in this section are subject to the following conditions and limitations: For the 2015-2017 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.

<u>NEW SECTION.</u> Sec. 615. FOR THE DEPARTMENT OF EARLY LEARNING

General Fund—State Appropriation (FY 2016) \$89,572,000 General Fund—State Appropriation (FY 2017) \$103,257,000

General Fund—Federal Appropriation	. \$290,204,000
Opportunity Pathways Account—State Appropriation	\$80,000,000
Education Legacy Trust Account—State Appropriation	\$28,250,000
Home Visiting Services Account—State Appropriation	\$4,868,000
Home Visiting Services Account—Federal Appropriation	\$25,250,000
TOTAL APPROPRIATION	. \$621,401,000

- (1) \$44,800,000 of the general fund—state appropriation for fiscal year 2016, \$44,800,000 of the general fund—state appropriation for fiscal year 2017, \$24,250,000 of the education legacy trust account—state appropriation, and \$80,000,000 of the opportunity pathways account appropriation are provided solely for the early childhood education and assistance program. These amounts shall support at least 11,691 slots in fiscal year 2016 and 11,691 slots in fiscal year 2017. 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) \$200,000 of the general fund—state appropriation for fiscal year 2016 and \$200,000 of the general fund—state appropriation for fiscal year 2017 are provided solely to develop and provide culturally relevant supports for parents, family, and other caregivers.
- (3) 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.
- (4) \$1,434,000 of the general fund—state appropriation for fiscal year 2016 is 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. Additional amounts are provided separately in part II of this act. The division of behavioral health and recovery must transfer these amounts into the home visiting services account.
- (5)(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.
- (6) Within available amounts, the department in consultation with the office of financial management and the department of social and health services shall report enrollments and active caseload for the working connections child care program to the legislative fiscal committees and the legislative-executive WorkFirst oversight task force on an agreed upon schedule. 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.

- (7) \$1,194,000 of the general fund—state appropriation for fiscal year 2016, \$1,926,000 of the general fund—state appropriation for fiscal year 2017, 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.
- (8) \$4,674,000 of the general fund—state appropriation for fiscal year 2016, \$2,522,000 of the general fund—state appropriation for fiscal year 2017 and \$2,152,000 of the general fund—federal appropriation are provided solely for the early childhood intervention prevention services (ECLIPSE) program. The department shall contract for ECLIPSE 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. Of the amounts appropriated in this subsection, \$60,000 per fiscal year may be used by the department for administering the ECLIPSE program, if needed.
- (9) \$47,000 of the general fund—state appropriation for fiscal year 2016 and \$46,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for implementation of Engrossed Substitute House Bill No. 1126 (fatality review). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse.
- (10) \$28,637,000 of the general fund—state appropriation for fiscal year 2016, \$47,143,000 of the general fund—state appropriation for fiscal year 2017, and \$26,206,000 of the general fund—federal appropriation are provided solely for the implementation of Engrossed Second Substitute House Bill No. 1491 (early care and education system). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse. Of the amounts provided in this subsection:
- (a) \$60,817,000 is for quality rating and improvement system activities, including but not limited to: Level two activities, technical assistance, coaching, rating, and quality improvement awards. The department shall place a 10 percent administrative overhead cap on any contract entered into with the University of Washington.
- (b) \$10,895,000 is for degree and retention incentives and scholarship and tuition reimbursements.
- (c) \$14,192,000 is for level 2 payments and tiered reimbursement for child care licensed family home and center providers. Additional amounts for licensed family home providers are provided separately in fiscal year 2016 as part of a collective bargaining agreement part IX of this act.
- (11) \$1,808,000 of the general fund—state appropriation for fiscal year 2016 and \$1,728,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for reducing barriers for low-income providers to participate in the early achievers program consistent with Engrossed Second Substitute House Bill No. 1491 (early care and education system). If the bill is not enacted by July 10, 2015, the amounts provided in this subsection shall lapse. Of the amounts provided in this subsection:

- (a) \$2,000,000 is for need-based grants. Additional amounts for child care licensed family home providers are provided separately as part of a collective bargaining agreement part IX of this act.
 - (b) \$1,336,000 is for the creation of a substitute pool.
- (c) \$200,000 is for the development of materials and assessments in provider and family home languages.
- (12) \$300,000 of the general fund—state appropriation for fiscal year 2016 and \$300,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for a contract with a nonprofit entity experienced in the provision of promoting early literacy for children through pediatric office visits.
- (13) \$4,000,000 of the education legacy trust account—state appropriation is provided solely for early intervention assessment and services.
- (14) Information and technology investments and proposed projects for time capture, payroll, payment processes, and eligibility and authorization systems within the department are subject to technical oversight by the office of the chief information officer. The department must collaborate with the office of the chief information officer to develop a strategic business and technology architecture plan for a child care attendance and billing system that supports a statewide architecture.
- (15)(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) ECEAP early learning professionals must enter any new qualifications into the department's professional development registry during the 2015-16 school year. By October 2017, the department must provide updated 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 an updated 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 2015 for the school year ending in 2014 and again in March 2016 for the school year ending in 2015.
- (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.
- (16) The department shall work with state and local law enforcement, federally recognized tribal governments, and tribal law enforcement to develop a process for expediting fingerprinting and data collection necessary to conduct background checks for tribal early learning and child care providers.

NEW SECTION. Sec. 616. FOR THE STATE SCHOOL	FOR THE
BLIND	
General Fund—State Appropriation (FY 2016)	\$6,409,000
General Fund—State Appropriation (FY 2017)	\$6,535,000
General Fund—Private/Local Appropriation	\$34,000

The appropriations in this section are subject to the following conditions and limitations: Funding provided in this section is sufficient for the school to offer to students enrolled in grades nine through twelve for full-time instructional services at the Vancouver campus with the opportunity to participate in a minimum of one thousand eighty hours of instruction and the opportunity to earn twenty-four high school credits.

NEW SECTION. Sec. 617. FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS General Fund—State Appropriation (FY 2016)..........\$9,953,000

General Fund—State Appropriation (FY 2017) \$10,086,000 TOTAL APPROPRIATION \$20,039,000

The appropriations in this section are subject to the following conditions and limitations: Funding provided in this section is sufficient for the center to offer to students enrolled in grades nine through twelve for full-time instructional services at the Vancouver campus with the opportunity to participate in a minimum of one thousand eighty hours of instruction and the opportunity to earn twenty-four high school credits.

<u>NEW SECTION.</u> Sec. 618. FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund—State Appropriation (FY 2016)	\$1,118,000
General Fund—State Appropriation (FY 2017)	\$1,148,000
General Fund—Federal Appropriation	\$2,100,000
General Fund—Private/Local Appropriation	\$18,000
TOTAL APPROPRIATION	\$4,384,000

<u>NEW SECTION.</u> Sec. 619. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

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General Fund—State Appropriation (FY 2016)	\$2,352,000
General Fund—State Appropriation (FY 2017)	\$2,412,000
TOTAL APPROPRIATION	\$4 764 000

The appropriations in this section are subject to the following conditions and limitations: \$150,000 of the general fund—state appropriation for fiscal year 2016 and \$150,000 of the general fund—state appropriation for fiscal year 2017 are provided solely for the restoration of the Washington women's history consortium created in RCW 27.34.360. These amounts must be used for staff, professional archiving, public programs and exhibits, and information technology investments to enable the society to restore its central database of women's history.

<u>NEW SECTION.</u> Sec. 620. FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

General Fund—State Appropriation (FY 2016) \$1,714,000

General Fund—State Appropriation (FY 2017)	\$1,808,000
TOTAL APPROPRIATION	\$3,522,000

The appropriations in this section are subject to the following conditions and limitations: The eastern Washington state historical society shall develop a plan for creating a performance-based partnership agreement between the state of Washington and the not-for-profit Northwest museum of arts and culture for implementation in the 2017-2019 fiscal biennium. The plan at minimum shall include strategies to increase nonstate revenues for the operation of the museum and estimate the minimum amount of state funding necessary to preserve, maintain, and protect state-owned facilities and assets. The plan shall be submitted to the office of financial management and the fiscal committees of the legislature by October 1, 2016.

PART VII SPECIAL APPROPRIATIONS
NEW SECTION. Sec. 701. 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 2016)
State Building Construction Account—State Appropriation \$6,462,000 Debt-Limit Reimbursable Bond Retire Account—State Appropriation \$1,430,000 TOTAL APPROPRIATION \$2,208,086,000
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. NEW SECTION. Sec. 702. 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
OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE General Fund—State Appropriation (FY 2016)

Appropriation \$180,685,000 TOTAL APPROPRIATION \$210,661,000
The appropriations in this section are subject to the following conditions and limitations: The general fund appropriations are for expenditure into the nondebt-limit general fund bond retirement account.
NEW SECTION. Sec. 704. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017)
State Building Construction Account—State
Appropriation
Columbia River Basin Water Supply Develop
Account—State Appropriation
Columbia River Basin Taxable Bond Water Supply
Develop Account—State Appropriation
State Taxable Building Construction Account—State
Appropriation\$53,000
TOTAL APPROPRIATION
NEW SECTION. Sec. 705. FOR THE OFFICE OF FINANCIAL
MANAGEMENT—INFORMATION TECHNOLOGY INVESTMENT
POOL
General Fund—State Appropriation (FY 2016)
General Fund—State Appropriation (FY 2017)
General Fund—Federal Appropriation\$60,168,000
General Fund—Private/Local Appropriation

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

Other Appropriated Funds\$807,000

- (1) The appropriations in this section are provided solely for deposit to the information technology investment revolving account, hereby created in the custody of the state treasurer. Only the director of financial management or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. Funds in the account are provided solely for the information technology projects shown in LEAP omnibus document IT-2015, dated June 28, 2015, which is hereby incorporated by reference. To facilitate the transfer of moneys from other funds and accounts that are associated with projects contained in LEAP omnibus document IT-2015, dated June 28, 2015, the state treasurer is directed to transfer moneys from other funds and accounts in an amount not to exceed \$807,000 to the information technology investment revolving account in accordance with schedules provided by the office of financial management.
- (2) Agencies may apply to the office of financial management to receive funds from the information technology investment revolving account.

- (a) When selecting projects for allocations from the account, sufficient funding must be reserved within the account to implement the following projects shown in LEAP omnibus document IT-2015 dated June 28, 2015:
 - (i) Public Disclosure Commission:
 - (A) PC Lease Program
 - (B) Customer Serv/Case Mgmt System
 - (C) Cloud Based Communication Svcs
 - (ii) Department of Social and Health Services:
 - (A) Align Funding with ICD-10 Imp.
 - (B) ESAR Phase II and III
 - (C) Interface with New EBT Vendor
 - (iii) Health Care Authority:
 - (A) ProviderOne O&M
 - (B) ProviderOne Stabilization
 - (C) ProviderOne Enhancements
 - (D) ProviderOne Contract Compliance
 - (E) ProviderOne Phase Two
- (b) For the remaining projects shown in LEAP omnibus document IT-2015, preference must be given to projects that utilize a commercial off-the-shelf or software as a service technology solution.
- (3) Allocations and allotments may be made only during discrete stages of projects, which at a minimum must include a planning stage, procurement stage, and implementation and integration stage. At least fourteen days prior to an allocation or allotment of funds to an agency, the office of financial management, jointly with the office of the chief information officer, must deliver to the legislative fiscal committees the following information for each project receiving an allocation from the account:
- (a) A technology budget using a method similar to the state capital budget, identifying project costs, funding sources, and anticipated deliverables through each stage of the investment and across fiscal periods and biennia from project initiation to implementation. If the project affects more than one agency, a technology budget must be prepared for each agency;
 - (b) The technology implementation plan that includes:
- (i) An organizational chart of the project management team that identifies team members and their roles and responsibilities;
 - (ii) The office of the chief information officer staff assigned to the project;
- (iii) An implementation schedule covering activities, critical milestones, and deliverables at each stage of the project for the life of the project at each agency affected by the project; and
- (iv) Performance measures used to determine that the project is on time, within budget, and meeting expectations for quality of work product.
 - (c) A letter from the office of the chief information officer certifying that:
- (i) The project is consistent with the state's enterprise architecture and other policies developed by the office of the chief information officer;
- (ii) The agency has the organizational capacity, preparedness, and leadership to implement the project successfully;
- (iii) The agency has adequately assessed and minimized the risks inherent with the project;

- (iv) The project has the management, staffing, and oversight resources needed for the cost, complexity, and risks associated with the project;
- (v) The project has implementation schedules and performance measures for timeliness, deliverables, quality, and budget;
- (vi) The agency has an adequate risk management plan that also enables the office of the chief information officer to assess, intervene, and take necessary action when performance measures are not being met; and
- (vii) For any investment that does not use commercial off-the-shelf or software as a service technology solution, the proposed project represents the best business solution and should not be delayed.
- (4) For any project that exceeds two million dollars in total funds to complete or requires more than one biennium to complete:
- (a) Quality assurance for the project must report independently to the office of the chief information officer;
- (b) The office of the chief information officer must review, and if necessary, revise the proposed project to ensure it is flexible and adaptable to advances in technology; and
- (c) The agency must consult with the contracting division of the department of enterprise services for a review of all contracts and agreements related to the project's information technology procurements.
- (5) The office of the chief information officer may suspend or terminate a project at any time if the office of the chief information officer determines that the project is not meeting or is not expected to meet anticipated performance measures. Once suspension or termination occurs, the agency shall not make additional expenditures on the project without approval of the state chief information officer. If a project is terminated, the office of financial management must terminate the agency's allocation from the information technology investment revolving account and the agency shall return any remaining funds to the account to be reallocated to other projects by the office of financial management.
- (6) Any cost to administer or implement this section for projects contained in LEAP omnibus document IT-2015, dated June 28, 2015, must be paid from the information technology investment revolving account. For any other information technology project made subject to the conditions, limitations, and review of this section, the cost to implement this section must be paid from the funds for that project.

<u>NEW SECTION.</u> Sec. 706. FOR THE OFFICE OF FINANCIAL MANAGEMENT—EMERGENCY FUND

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are for the governor's emergency fund for the critically necessary work of any agency.

NEW SECTION. Sec. 707. FOR THE OFFICE OF FINANCIAL MANAGEMENT—EDUCATION TECHNOLOGY REVOLVING ACCOUNT

General Fund—State Appropriation (FY 2017))\$8,000,000
TOTAL APPROPRIATION	\$16,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the education technology revolving account for the purpose of covering ongoing operational and equipment replacement costs incurred by the K-20 educational network program in providing telecommunication services to network participants.

<u>NEW SECTION.</u> Sec. 708. FOR THE OFFICE OF FINANCIAL MANAGEMENT—O'BRIEN BUILDING IMPROVEMENT

General Fund—State Appropriation (FY 2016)	\$2,945,000
General Fund—State Appropriation (FY 2017)	\$2,944,000
TOTAL APPROPRIATION	\$5,889,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the enterprise services account for payment of principal, interest, and financing expenses associated with the certificate of participation for the O'Brien building improvement, project number 20081007.

<u>NEW SECTION.</u> Sec. 709. FOR THE OFFICE OF FINANCIAL MANAGEMENT—CHERBERG BUILDING REHABILITATION

General Fund—State Appropriation (FY 2016)	\$602,000
General Fund—State Appropriation (FY 2017)	\$606,000
TOTAL APPROPRIATION	\$1,208,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the enterprise services account for payment for the principal, interest, and financing expenses associated with the certificate of participation for the Cherberg building improvements, project number 2002-1-005.

<u>NEW SECTION.</u> Sec. 710. FOR THE OFFICE OF FINANCIAL MANAGEMENT—CANCER RESEARCH ENDOWMENT FUND MATCH TRANSFER ACCOUNT

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 cancer research endowment fund match transfer account under Substitute Senate Bill No. 6096 (cancer research). If the bill is not enacted by July 10, 2015, the appropriation in this section shall lapse.

<u>NEW SECTION.</u> Sec. 711. FOR THE STATE TREASURER—COUNTY PUBLIC HEALTH ASSISTANCE

General Fund—State Appropriation (FY 2016)	\$36,386,000
General Fund—State Appropriation (FY 2017)	\$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

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following counties and health districts in the amounts designated to support public health services, including public health nursing:

Health District	FY 2016	FY 2017	2015-17 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	\$297,761	\$595,522
Grays Harbor Health Department	\$335,666	\$335,666	\$671,332
Island County Health Department	\$255,224	\$255,224	\$510,448
Jefferson County Health and Human Services	\$184,080	\$184,080	\$368,160
Seattle-King County Department of Public Health	\$12,685,521	\$12,685,521	\$25,371,042
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

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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	\$126,569	\$126,569	\$253,138
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	\$93,181	\$186,362
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	\$36,386,000	\$36,386,000	\$72,772,000
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<u>NEW SECTION.</u> Sec. 712. FOR THE STATE TREASURER—COUNTY CLERK LEGAL FINANCIAL OBLIGATION GRANTS

General Fund—State Appropriation (FY 2016)	\$541,000
General Fund—State Appropriation (FY 2017)	\$441,000
TOTAL APPROPRIATION	

The appropriations in this section are subject to the following conditions and limitations: By October 1st of each fiscal year, the state treasurer shall distribute the appropriations to the following county clerk offices in the amounts designated as grants for the collection of legal financial obligations pursuant to RCW 2.56.190:

County Clerk

FY 16 FY 17

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Adams County Clerk	\$2,103	\$1,714
Asotin County Clerk	\$2,103	\$1,714
Benton County and Franklin County Clerk	\$18,231	\$14,858
Chelan County Clerk	\$7,399	\$6,030
Clallam County Clerk	\$5,832	\$4,753
Clark County Clerk	\$32,635	\$4,733
Columbia County Clerk	\$32,033	
•		\$313
Cowlitz County Clerk	\$16,923	\$13,792
Douglas County Clerk	\$3,032	\$2,471
Ferry County Clerk	\$422	\$344
Franklin County Clerk	\$5,486	\$4,471
Garfield County Clerk	\$243	\$198
Grant County Clerk	\$10,107	\$8,237
Grays Harbor County Clerk	\$8,659	\$7,057
Island County Clerk	\$3,059	\$2,493
Jefferson County Clerk	\$1,859	\$1,515
King County Court Clerk	\$119,290	\$97,266
Kitsap County Clerk	\$22,242	\$18,127
Kittitas County Clerk	\$3,551	\$2,894
Klickitat County Clerk	\$2,151	\$1,753
Lewis County Clerk	\$10,340	\$8,427
Lincoln County Clerk	\$724	\$590
Mason County Clerk	\$5,146	\$4,194
Okanogan County Clerk	\$3,978	\$3,242
Pacific County Clerk	\$2,411	\$1,965
Pend Orielle County Clerk	\$611	\$498
Pierce County Clerk	\$77,102	\$62,837
San Juan County Clerk	\$605	\$493
Skagit County Clerk	\$11,059	\$9,013
Skamania County Clerk	\$1,151	\$938
Snohomish County Clerk	\$38,143	\$31,086
Spokane County Clerk	\$44,825	\$36,578
Stevens County Clerk	\$2,984	\$2,432
Thurston County Clerk	\$22,204	\$18,096
Wahkiakum County Clerk	\$400	\$326
Walla Walla County Clerk	\$4,935	\$4,022
Whatcom County Clerk	\$20,728	\$16,893

Whitman County Clerk

Ψ2,010	Φ1,000
\$25,063	\$20,426

\$2.048

\$1.660

TOTAL APPROPRIATIONS \$541,000 \$441,000

NEW SECTION. Sec. 713. BELATED CLAIMS

The agencies and institutions of the state may expend moneys appropriated in this act, upon approval of the office of financial management, for the payment of supplies and services furnished to the agency or institution in prior fiscal biennia.

<u>NEW SECTION.</u> Sec. 714. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—CONTRIBUTIONS TO RETIREMENT SYSTEMS

The appropriations in this section are subject to the following conditions and limitations: The appropriations for the law enforcement officers' and firefighters' retirement system shall be made on a monthly basis consistent with chapter 41.45 RCW, and the appropriations for the judges and judicial retirement systems shall be made on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.

(1) There is appropriated for state contributions to the law enforcement officers' and firefighters' retirement system:

General Fund—State Appropriation (FY 2016)	\$65,350,000
General Fund—State Appropriation (FY 2017)	\$68,450,000
TOTAL APPROPRIATION	133,800,000

 Appropriation.
 \$12,000,000

 TOTAL APPROPRIATION
 \$18,800,000

<u>NEW SECTION.</u> Sec. 715. FOR THE OFFICE OF FINANCIAL MANAGEMENT—LEAN MANAGEMENT STRATEGIES AND EFFICIENCY SAVINGS

General Fund—State Appropriation (FY 2016)	(\$12,500,000)
General Fund—State Appropriation (FY 2017)	(\$12,500,000)
TOTAL APPROPRIATION	(\$25,000,000)

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

(1) The legislature is committed to making continuous improvement part of the culture of state government.

- (2) The office of financial management shall develop a plan to achieve at least the amount of savings specified in this section. Based on this plan, the office of financial management must reduce allotments for affected state agencies by at least \$12,500,000 from the state general fund appropriations for fiscal year 2016 and \$12,500,000 from the state general fund appropriations for fiscal year 2017 in this act to reflect savings resulting from application of lean management and other performance management strategies. The allotment reductions shall be placed in unallotted status and remain unexpended. Allotments shall not be reduced pursuant to this section for institutions of higher education.
- (3) The office of the chief information officer must integrate lean principles into all major information technology initiatives.
- (4) The office of financial management must compile and transmit a progress report to the appropriate fiscal committees of the legislature at least every six months, beginning January 1, 2016.

<u>NEW SECTION.</u> Sec. 716. FOR THE OFFICE OF FINANCIAL MANAGEMENT—STATE EFFICIENCY AND RESTRUCTURING REPAYMENT

General Fund—State Appropriation (FY 2016)	. \$5,078,000
General Fund—State Appropriation (FY 2017)	. \$5,078,000
TOTAL APPROPRIATION	\$10,156,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the cleanup settlement account on July 1, 2015, and July 1, 2016, as repayment of moneys that were transferred to the state efficiency and restructuring account.

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the common school construction account—state on July 1, 2015, and July 1, 2016, for an interest payment pursuant to RCW 90.38.130.

NEW SECTION. Sec. 718. FOR THE OFFICE OF FINANCIAL MANAGEMENT—NATURAL RESOURCES REAL PROPERTY REPLACEMENT ACCOUNT

General Fund—State Appropriation (FY	2016)\$300,000
General Fund—State Appropriation (FY	2017)\$300,000
TOTAL APPROPRIATION	\$600,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the natural resources real property replacement account—state on July 1, 2015, and July 1, 2016, for an interest payment pursuant to RCW 90.38 130.

NEW SECTION. Sec. 719. FOR THE OFFICE OF FINANCIAL MANAGEMENT—EXTRAORDINARY CRIMINAL JUSTICE COSTS

General Fund—State Appropriation (FY 2016)\$400,000

The appropriation in this section is subject to the following conditions and limitations: The director of financial management shall distribute \$246,000 to Jefferson county and \$154,000 to Mason county for extraordinary criminal justice costs pursuant to RCW 43.330.190.

<u>NEW SECTION.</u> Sec. 720. FOR THE OFFICE OF FINANCIAL MANAGEMENT—COUNTY CRIMINAL JUSTICE ASSISTANCE ACCOUNT

General Fund—State Appropriation (FY 2016)	\$227,000
General Fund—State Appropriation (FY 2017)	\$227,000
TOTAL APPROPRIATION	\$454,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section, or so much thereof as may be necessary, are provided solely for expenditure into the county criminal justice assistance account—state. 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 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.

<u>NEW SECTION.</u> Sec. 721. FOR THE OFFICE OF FINANCIAL MANAGEMENT—MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

General Fund—State Appropriation (FY 2016)	.\$133,000
General Fund—State Appropriation (FY 2017)	.\$133,000
TOTAL APPROPRIATION	.\$266,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section, or so 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 and 82.14.330, 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 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. 722. FOR THE OFFICE OF FINANCIAL MANAGEMENT—LOCAL GOVERNMENT MARIJUANA ENFORCEMENT

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for distribution to local governments pursuant to Second Engrossed Second Substitute House Bill No. 2136 (marijuana revenue). If the bill is not enacted by July 10, 2015, the amounts provided in this section shall lapse.

<u>NEW SECTION.</u> Sec. 723. FOR THE OFFICE OF FINANCIAL MANAGEMENT—COMMUNICATION SERVICES REFORM

General Fund—State	Appropriation (FY 2016)	\$5,000,000
General Fund—State	Appropriation (FY 2017)	\$5,000,000
TOTAL APP	ROPRIATION	\$10,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the universal communications services fund to fund the temporary universal communications services program.

<u>NEW SECTION.</u> Sec. 724. FOR THE OFFICE OF FINANCIAL MANAGEMENT—OUTDOOR EDUCATION AND RECREATION ACCOUNT

General Fund—State Appropriation (FY 2016)	
General Fund—State Appropriation (FY 2017)	\$500,000
TOTAL APPROPRIATION	\$1,000,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely for expenditure into the outdoor education and recreation account for the purposes of Engrossed Substitute Senate Bill No. 5843 (outdoor recreation).

<u>NEW SECTION.</u> Sec. 725. FOR THE OFFICE OF FINANCIAL MANAGEMENT—EMERGENCY DROUGHT RESPONSE

General Fund—State Appropriation (FY 2016) \$14,000,000

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

- (1) The appropriation in this section is provided solely for expenditure into the state drought preparedness account established in RCW 43.83B.430.
- (2) The appropriation in this section shall be reduced by any expenditures for this purpose under Substitute Senate Bill No. 6125 (emergency drought response).

<u>NEW SECTION.</u> Sec. 726. FOR THE OFFICE OF FINANCIAL MANAGEMENT—FAMILY ASSESSMENT RESPONSE

General Fund—State Appropriation (FY 2016)	\$1,458,000
General Fund—State Appropriation (FY 2017)	\$4,915,000
TOTAL APPROPRIATION	\$6 373 000

The appropriation in this section is subject to the following conditions and limitations: The appropriations in this section are provided solely for expenditure into the child and family reinvestment account to support the implementation and maintenance of the family assessment response within the department of social and health services.

NEW SECTION. Sec. 727. FOR THE OFFICE OF FINANCIAL MANAGEMENT—PARKLAND TRUST REVOLVING ACCOUNT

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.

<u>NEW SECTION.</u> **Sec. 728.** A new section is added to 2015 1st sp.s. c 10 (uncodified) to read as follows:

TRANSPORTATION—WASHINGTON FEDERATION	OF	STATE
EMPLOYEES		
Motor Vehicle Account—State Appropriation	. \$13	,990,000
State Patrol Highway Account—State Appropriation		
State Patrol Highway Account—Federal Appropriation		\$23,000
Puget Sound Ferry Operations Account—State Appropriation		\$55,000
Highway Safety Account—State Appropriation	\$2	,273,000
Motorcycle Safety Education Account—State Appropriation		\$41,000
State Wildlife Account—State Appropriation		
Ignition Interlock Device Revolving Account—State		
Appropriation		\$9,000
Department of Licensing Services Account—State		
Appropriation		\$74,000
Aeronautics Account—State Appropriation		\$11,000
High Occupancy Toll Lanes Operations Account—State		
Appropriation		. \$8,000
State Route Number 520 Corridor Account—State		
Appropriation		\$86,000
Multimodal Transportation Account—State		
Appropriation		\$26,000
Tacoma Narrows Toll Bridge Account—State		
Appropriation		
TOTAL APPROPRIATION	. \$17	,765,000

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

- (1) An agreement has been reached between the governor and the Washington federation of state employees general government under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for employees funded in the 2015-2017 omnibus transportation appropriations act, a three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective January 1, 2016. The agreement also includes and funding is provided for salary adjustments for targeted job classifications, assignment pay for targeted job classifications, hazard pay for designated night crews, and geographic pay for designed areas. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 713 2015T to fund the provisions of this agreement.
- (2) This section represents the results of the 2015-2017 collective bargaining process required under chapter 41.80 RCW. Provisions of the

collective bargaining agreement contained in this section are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreement. The collective bargaining agreement contained in this section may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 713 - 2015T to fund the provisions of this agreement.

NEW SECTION. Sec. 729. A new section is added to 2015 1st sp.s. c 10 (uncodified) to read as follows:

WAGE INCREASE—STATE

EMPLOYEES Motor Vehicle Account—State Appropriation	19,000
Motor Vehicle Account—State Appropriation	19,000
	19,000
State Patrol Highway Account—State Appropriation	20.000
State Patrol Highway Account—Federal Appropriation	22,000
State Patrol Highway Account—Private/Local Appropriation	\$5,000
Puget Sound Ferry Operations Account—State Appropriation \$4	
Highway Safety Account—State Appropriation\$6	
Highway Safety Account—Federal Appropriation	28,000
Motorcycle Safety Education Account—State Appropriation	\$8,000
State Wildlife Account—State Appropriation	
Department of Licensing Services Account—State	
Appropriation	13,000
Aeronautics Account—State Appropriation\$	
High Occupancy Toll Lanes Operations Account—State	
Appropriation\$	15,000
State Route Number 520 Corridor Account—State	
Appropriation	13,000
Multimodal Transportation Account—State Appropriation \$2	
Tacoma Narrows Toll Bridge Account—State Appropriation \$	12,000
Rural Arterial Trust Account—State Appropriation\$	32,000
County Arterial Preservation Account—State Appropriation \$	
Transportation Improvement Account—State Appropriation \$	
TOTAL APPROPRIATION	

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

- (1) Funding provided for state agency employee compensation for employees funded in the 2015-2017 omnibus transportation appropriations act who are not represented or who bargain under statutory authority other than chapter 41.80 or 47.64 RCW or RCW 41.56.473 or 41.56.475 is sufficient for general wage increases.
- (2) Funding is provided for a three percent general wage increase effective July 1, 2015, for all classified employees, as specified in subsection (1) of this section. Also included are employees in the Washington management service and exempt employees under the jurisdiction of the director of the office of financial management. The appropriations are also sufficient to fund a three percent salary increase effective July 1, 2015, for executive, legislative, and

judicial branch employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(3) Funding is provided for a general wage increase of one and eight-tenths percent or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective July 1, 2016, for all classified employees, as specified in subsection (1) of this section. Also included are employees in the Washington management service and exempt employees under the jurisdiction of the director of the office of financial management. The appropriations are also sufficient to fund a one and eight-tenths percent salary increase effective July 1, 2016, for executive, legislative, and judicial branch employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 713 - 2015T to fund the provisions of this section.

<u>NEW SECTION.</u> **Sec. 730.** A new section is added to 2015 1st sp.s. c 10 (uncodified) to read as follows:

TRANSPORTATION—WPEA GENERAL GOVERNMENT

Motor Vehicle Account—State Appropriation	\$64,000
State Patrol Highway Account—State Appropriation	\$867,000
State Patrol Highway Account—Federal Appropriation	\$103,000
TOTAL APPROPRIATION	\$1,034,000

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

- (1) An agreement has been reached between the governor and the Washington public employees association under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium and funded in the 2015-2017 omnibus transportation appropriations act. Funding is provided for employees funded in the 2015-2017 omnibus transportation appropriations act, a three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective January 1, 2016. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 713 2015T to fund the provisions of this agreement.
- (2) This section represents the results of the 2015-2017 collective bargaining process required under chapter 41.80 RCW. Provisions of the collective bargaining agreement contained in this section are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreement. The collective bargaining agreement contained in this section may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 713 2015T to fund the provisions of this agreement.

<u>NEW SECTION.</u> **Sec. 731.** A new section is added to 2015 1st sp.s. c 10 (uncodified) to read as follows:

Ch. 4

The appropriation in this section is subject to the following conditions and limitations: Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 713 - 2015T to fund the provisions of this agreement.

<u>NEW SECTION.</u> **Sec. 732.** A new section is added to 2015 1st sp.s. c 10 (uncodified) to read as follows:

TRANSPORTATION—TARGETED COMPENSATION INCREASES—NONREPRESENTED JOB CLASS SPECIFIC

Motor Vehicle Account—State Appropriation	,000
State Patrol Highway Account—State Appropriation \$26	,000
State Patrol Highway Account—Federal Appropriation	,000
Puget Sound Ferry Operations Account—State	
Appropriation	,000
Highway Safety Account—Federal Appropriation	,000
Aeronautics Account—State Appropriation	,000
Tagama Namayya Tall Dridge Aggaint State	

The appropriations in this section are subject to the following conditions and limitations: Funding is provided for salary adjustments for targeted job classifications for employees funded in the 2015-2017 omnibus transportation appropriations act, as specified by the office of financial management, of classified state employees, except those represented by a collective bargaining unit under chapters 41.80 and 47.64 RCW and RCW 41.56.473 and 41.56.475. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 713 - 2015T to fund the provisions of this agreement.

<u>NEW SECTION.</u> **Sec. 733.** A new section is added to 2015 1st sp.s. c 10 (uncodified) to read as follows:

TRANSPORTATION—COLLECTIVE BARGAINING AGREEMENTS— PTE LOCAL 17

(0771 000)

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

- (1) An agreement has been reached between the governor and the professional and technical employees local seventeen under chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for the negotiated three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase or a one percent general wage increase plus a flat twenty dollars per month, whichever is greater, effective July 1, 2016. The agreement also includes targeted job classification specific increases.
- (2) This section represents the results of the 2015-2017 collective bargaining process required under chapter 41.80 RCW. Provisions of the collective bargaining agreement contained in this section are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreement. The collective bargaining agreement contained in this section may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or dedicated fund sources with insufficient revenue, additional funding from other sources is not provided. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 713 2015T to fund the provisions of this agreement.

<u>NEW SECTION.</u> **Sec. 734.** A new section is added to 2015 1st sp.s. c 10 (uncodified) to read as follows:

TRANSPORTATION—COMPENSATION—REPRESENTED EMPLOYEES—INSURANCE BENEFITS

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

Collective bargaining agreements were reached for the 2015-2017 fiscal biennium between the governor and the employee representatives under the provisions of chapters 41.80 and 41.56 RCW. Appropriations in this act for state agencies are sufficient to implement the provisions of the 2015-2017 collective bargaining agreements and are subject to the following conditions and limitations:

- (1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan must not exceed \$840 per eligible employee for fiscal year 2016. For fiscal year 2017, the monthly employer funding rate must not exceed \$894 per eligible employee.
- (b) Except as provided by the parties' health care agreement, in order to achieve the level of funding provided for health benefits, the public employees' benefits board must require 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. The board shall collect a twenty-five dollar per month surcharge payment from members who use tobacco products and a surcharge payment of not less than fifty dollars per month from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in another 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. The surcharge payments shall be collected in addition to the member premium payment.
- (c) The health care authority must 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 must not be used for administrative expenditures.
- (2) The health care authority, subject to the approval of the public employees' benefits board, must 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. For calendar years 2016 and 2017, the subsidy must be up to \$150.00 per month. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 713 2015T to fund the provisions of this agreement.
- (3) All savings resulting from reduced claim costs or other factors identified after June 1, 2015, must be reserved for funding employee health benefits in the 2017-2019 fiscal biennium.

<u>NEW SECTION.</u> **Sec. 735.** A new section is added to 2015 1st sp.s. c 10 (uncodified) to read as follows:

TRANSPORTATION—COMPENSATION—NONREPRESENTED EMPLOYEES—INSURANCE BENEFITS

Appropriation	(\$1,000)
Rural Arterial Trust Account—State Appropriation	(\$1,000)
Highway Safety Account—State Appropriation	(\$29,000)
Highway Safety Account—Federal Appropriation	
Puget Sound Ferry Operations Account—State	
Appropriation	(\$18,000)
Transportation Improvement Account—State	, , ,
Appropriation	(\$3,000)
State Route Number 520 Corridor Account—State	
Appropriation	(\$1,000)
County Arterial Preservation Account—State	
Appropriation	(\$1,000)
Department of Licensing Services Account—State	, , ,
Appropriation	(\$1,000)
Multimodal Transportation Account—State	
Appropriation	(\$8,000)
Tacoma Narrows Toll Bridge Account—State	
Appropriation	(\$1,000)
TOTAL APPROPRIATION	

The appropriations in this section are subject to the following conditions and limitations: 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, public employees' benefits board administration, and the uniform medical plan must not exceed \$840 per eligible employee for fiscal year 2016. For fiscal year 2017, the monthly employer funding rate must not exceed \$894 per eligible employee.
- (b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board must require any 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. The board shall collect a twenty-five dollar per month surcharge payment from members who use tobacco products and a surcharge payment of not less than fifty dollars per month from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in another 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. The surcharge payments shall be collected in addition to the member premium payment.
- (c) The health care authority must 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 must not be used for administrative expenditures.

- (2) The health care authority, subject to the approval of the public employees' benefits board, must 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. For calendar years 2016 and 2017, the subsidy must be up to \$150.00 per month. Appropriations for state agencies are increased by the amounts specified in LEAP Transportation Document 713 2015T to fund the provisions of this agreement.
- (3) All savings resulting from reduced claim costs or other factors identified after June 1, 2015, must be reserved for funding employee health benefits in the 2017-2019 fiscal biennium.

<u>NEW SECTION.</u> **Sec. 736. TRANSPORTATION COMPENSATION** 2015 1st sp. sess. c 10 s 501 (uncodified) is repealed.

PART VIII OTHER TRANSFERS AND APPROPRIATIONS

NEW SECTION Sec 801 FOR THE STATE TREASURER_STATE

REVENUES FOR DISTRIBUTION
General Fund Appropriation for fire insurance
premium distributions. \$9,286,000 General Fund Appropriation for public utility
district avaisa tax distributions \$56.508.000
district excise tax distributions
General Fund Appropriation for prosecuting attorney distributions
General Fund Appropriation for boating safety
and education distributions
General Fund Appropriation for other tax
distributions
General Fund Appropriation for habitat conservation
program distributions
Death Investigations Account Appropriation for
distribution to counties for publicly funded
autopsies
Aquatic Lands Enhancement Account Appropriation for
harbor improvement revenue distribution
Timber Tax Distribution Account Appropriation for
distribution to "timber" counties
County Criminal Justice Assistance Appropriation
When making the fiscal year 2016 and 2017
distributions to Grant county, the state
treasurer shall reduce the amount by \$140,000
each year and distribute the remainder to the
county. This is the second and third of three
reductions that have been made to reimburse the
state for a nonqualifying extraordinary criminal
justice act payment made to Grant county in
fiscal year 2013
Municipal Criminal Justice Assistance

Appropriation	
local government financial assistance	
distribution\$23,630,000	0
Liquor Excise Tax Account Appropriation for liquor	
excise tax distribution	0
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	0
Columbia River Water Delivery Account Appropriation	
for the Confederated Tribes of the Colville	
Reservation	0
Columbia River Water Delivery Account Appropriation	
for the Spokane Tribe of Indians	0
Liquor Revolving Account Appropriation for liquor	
profits distribution	0
TOTAL APPROPRIATION	0

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.

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 2015-2017 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 214, Laws of 1998 (DUI penalties); chapter 215, Laws of 1998 (DUI provisions); and chapter . . . (SSB 5105), Laws of 2015 (DUI penalties).

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 2015-2017 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); chapter 215, Laws of 1998 (DUI provisions); and chapter . . . (SSB 5105), Laws of 2015 (DUI penalties).

<u>NEW SECTION.</u> Sec. 804. FOR THE STATE TREASURER—
FEDERAL REVENUES FOR DISTRIBUTION
General Fund Appropriation for federal flood control
funds distribution
General Fund Appropriation for federal grazing fees
distribution\$834,000
Forest Reserve Fund Appropriation for federal forest
reserve fund distribution
TOTAL APPROPRIATION

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.

NEW SECTION. Sec. 805. FOR THE STATE TREASURER— TRANSFERS State Treasurer's Service Account: For transfer to the state general fund. \$10,000,000 for fiscal year 2016 and \$10,000,000 for fiscal year 2017 \$20,000,000 General Fund: For transfer to the streamlined sales and use tax account, \$23,864,000 for fiscal year 2016 and \$23,694,000 for fiscal year 2017 \$47,558,000 Dedicated Marijuana Account: For transfer to the state general fund in an amount not to exceed the amount determined pursuant to RCW 69.50.540, \$27,246,000 for fiscal year 2016 and Dedicated Marijuana Fund Account for distribution to the basic health plan trust account in an amount not to exceed the amount determined pursuant to RCW 69.50.540, \$53,507,000 for fiscal year 2016 and \$125,201,000 for fiscal year 2017 \$178.708.000 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: For transfer to the state general fund, in an amount not to exceed the

tobacco settlement account for fiscal year 2016 \$26,000,000

annual strategic contribution payment to the

Tobacco Settlement Account: For transfer to the state general fund, in an amount not to exceed the annual strategic contribution payment to the tobacco settlement account for fiscal year
2017
state general fund for fiscal year 2016
Energy Freedom Account: For transfer to the state general fund for fiscal year 2016, an amount
not to exceed the actual ending cash balance
of the fund
Aquatic Lands Enhancement Account: For transfer to
the marine resources stewardship trust account, \$125,000 for fiscal year 2016
State Toxics Control Account: For transfer to the
clean up settlement account as repayment of the
loan provided in section 3022(2) chapter 2,
Laws of 2012, 2nd sp. sess. (ESB 6074 2012
supplemental capital budget), \$643,000 for fiscal year 2016 and \$643,000 for fiscal
year 2017
Aquatic Lands Enhancement Account: For transfer
to the clean up settlement account as repayment
of the loan provided in section 3022(2) chapter
2, Laws of 2012, 2nd sp. sess. (ESB 6074 2012
supplemental capital budget), \$643,000 for fiscal year 2016 and \$643,000 for fiscal
year 2017
Home Security Fund Account: For transfer to the
transitional housing operating and rent account,
\$7,500,000 for fiscal year 2016. \$7,500,000
Public Works Assistance Account: For transfer to the
state general fund, \$36,500,000 for fiscal year 2016 and \$36,500,000 for fiscal year 2017 \$73,000,000
Criminal Justice Treatment Account: For transfer to
the state general fund \$5,652,000 for fiscal
year 2016 and \$5,651,000 for fiscal year 2017 \$11,303,000
Liquor Revolving Account: For transfer to the state
general fund, \$3,000,000 for fiscal year 2016
and \$3,000,000 for fiscal year 2017
to the state general fund, \$1,000,000 for fiscal
year 2016 and \$1,000,000 for fiscal year 2017 \$2,000,000
Law Enforcement Officers' and Firefighters' Plan 2
Retirement Fund: For transfer to the local law
enforcement officers' and firefighters' retirement system benefits improvement account
for fiscal year 2016
101 1100ai your 2010

It is the intent of the legislature to continue to transfer the excess balance from the criminal justice treatment account to the state general fund in the 2017-2019 fiscal biennium, consistent with policy in this omnibus appropriations act and in an amount not to exceed the projected fund balance.

It is the intent of the legislature to continue to transfer the excess balance from the state treasurer's service account to the state general fund in the 2017-2019 fiscal biennium, consistent with policy in this omnibus appropriations act and in an amount not to exceed the projected fund balance.

NEW SECTION. Sec. 806. FOR THE GAMBLING COMMISSION State Lottery Account: For transfer to gambling

The transfer in this section is subject to the following conditions and limitations:

- (1) The commission shall maintain working capital reserves in the gambling revolving account of no more than five percent of projected expenses in the account.
- (2) The commission shall not approve any electronic raffle systems to conduct fifty-fifty raffles until the legislature has reviewed all impacts to the state lottery.

PART IX MISCELLANEOUS

NEW SECTION. Sec. 901. EXPENDITURE AUTHORIZATIONS

The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 2013-2015 fiscal biennium

NEW SECTION. Sec. 902. EMERGENCY FUND ALLOCATIONS

Whenever allocations are made from the governor's emergency fund appropriation to an agency that is financed in whole or in part by other than general fund moneys, the director of financial management may direct the repayment of such allocated amount to the general fund from any balance in the fund or funds which finance the agency. An appropriation is not necessary to effect such repayment.

NEW SECTION. Sec. 903. STATUTORY APPROPRIATIONS

In addition to the amounts appropriated in this act for revenues for distribution, state contributions to the law enforcement officers' and firefighters' retirement system plan 2 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, 39.96, and 39.98 RCW or any proper bond covenant made under law

NEW SECTION. Sec. 904. BOND EXPENSES

In addition to such other appropriations as are made by this act, there is hereby appropriated to the state finance committee from legally available bond proceeds in the applicable construction or building funds and accounts such amounts as are necessary to pay the expenses incurred in the issuance and sale of the subject bonds.

<u>NEW SECTION.</u> Sec. 905. VOLUNTARY RETIREMENT AND SEPARATION

As a management tool to reduce costs and make more effective use of resources, while improving employee productivity and morale, agencies may implement either a voluntary retirement or separation program, or both that is cost neutral or results in cost savings (including costs to the state pension systems) over a two-year period following the commencement of the program, provided that such a program is approved by the director of financial management. Agencies participating in this authorization may offer voluntary retirement and/or separation incentives and options according to procedures and guidelines established by the office of financial management, in consultation with the department of retirement systems. The options may include, but are not limited to, financial incentives for voluntary separation or retirement. An employee does not have a contractual right to a financial incentive offered under this section. Offers shall be reviewed and monitored jointly by the office of financial management and the department of retirement systems. Agencies are required to submit a report by the date established by the office of financial management in the guidelines required in this section, to the legislature and the office of financial management on the outcome of their approved incentive program. The report should include information on the details of the program including the incentive payment amount for each participant, the total cost to the state, and the projected or actual net dollar savings over the two year period.

The department of retirement systems may collect from employers the actuarial cost of any incentive provided under this program, or any other incentive to retire provided by employers to members of the state's pension systems, for deposit in the appropriate pension account.

<u>NEW SECTION.</u> Sec. 906. COLLECTIVE BARGAINING AGREEMENTS NOT IMPAIRED

Nothing in this act prohibits the expenditure of any funds by an agency or institution of the state for benefits guaranteed by any collective bargaining agreement in effect on the effective date of this section.

<u>NEW SECTION.</u> Sec. 907. COLLECTIVE BARGAINING AGREEMENTS

The following sections represent the results of the 2015-2017 collective bargaining process required under the provisions of chapters 41.80, 41.56 and 74.39A RCW. Provisions of the collective bargaining agreements contained in sections 908 through 937 of this act are described in general terms. Only major economic terms are included in the descriptions. These descriptions do not contain the complete contents of the agreements. The collective bargaining agreements contained in Part IX of this act may also be funded by expenditures from nonappropriated accounts. If positions are funded with lidded grants or

dedicated fund sources with insufficient revenue, additional funding from other sources is not provided.

<u>NEW SECTION.</u> Sec. 908. COLLECTIVE BARGAINING AGREEMENT—WFSE

An agreement has been reached between the governor and the Washington federation of state employees general government under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eightenths percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective July 1, 2016. The agreement also includes and funding is provided for salary adjustments for targeted job classifications, assignment pay for targeted job classifications, hazard pay for designated night crews, and geographic pay for designated areas.

<u>NEW SECTION.</u> Sec. 909. COLLECTIVE BARGAINING AGREEMENT—WPEA

An agreement has been reached between the governor and the Washington public employees association general government under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eightenths percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective July 1, 2016. The agreement also includes and funding is provided for salary adjustments for targeted job classifications.

<u>NEW SECTION.</u> Sec. 910. COLLECTIVE BARGAINING AGREEMENT—COALITION OF UNIONS

An agreement has been reached between the governor and the coalition of unions under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective July 1, 2016. The agreement also includes and funding is provided for salary adjustments for targeted job classifications and annual payments for board certified psychiatrists and physicians.

<u>NEW SECTION.</u> Sec. 911. COLLECTIVE BARGAINING AGREEMENT—WAFWP

An agreement has been reached between the governor and the Washington association of fish and wildlife professionals under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective July 1, 2016. The agreement also includes and funding is provided for salary adjustments for targeted job classifications.

<u>NEW SECTION.</u> Sec. 912. COLLECTIVE BARGAINING AGREEMENT—PTE LOCAL 17

An agreement has been reached between the governor and the professional and technical employees local 17 under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general

wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective July 1, 2016. The agreement also includes and funding is provided for salary adjustments for targeted job classifications.

<u>NEW SECTION.</u> Sec. 913. COLLECTIVE BARGAINING AGREEMENT—SEIU 1199NW

An agreement has been reached between the governor and the service employees international union healthcare 1199nw under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eighttenths percent general wage increase effective July 1, 2016. The agreement also includes and funding is provided for additional geographic location pay premiums to address recruitment and retention issues and increased training reimbursement.

NEW SECTION. Sec. 914. COLLECTIVE BARGAINING AGREEMENT—TEAMSTERS LOCAL 117

An agreement has been reached between the governor and the international brotherhood of teamsters local 117 through an interest arbitration decision as provided in a memorandum of understanding between the parties and under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for the awarded five and one-half percent general wage increase effective July 1, 2015, and a four and three-tenths percent general wage increase effective July 1, 2016. The agreement also includes and funding is provided for salary adjustments for targeted job classifications, supplemental shift premiums for LPNs, payment for overtime exempt employees in specified job classifications when on standby status, and the elimination of geographic location premium pay.

NEW SECTION. Sec. 915. COLLECTIVE BARGAINING AGREEMENT—WFSE HIGHER EDUCATION COMMUNITY COLLEGE COALITION

An agreement has been reached between the governor and the Washington federation of state employees community college coalition under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective July 1, 2016. The agreement also includes and funding is provided for salary adjustments for targeted job classifications.

NEW SECTION. Sec. 916. COLLECTIVE BARGAINING AGREEMENT—WPEA HIGHER EDUCATION COMMUNITY COLLEGE COALITION

An agreement has been reached between the governor and the Washington public employees association community college coalition under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective July 1,

2016. The agreement also includes and funding is provided for salary adjustments for targeted job classifications.

<u>NEW SECTION.</u> Sec. 917. COLLECTIVE BARGAINING AGREEMENT—WSP TROOPERS ASSOCIATION

An agreement has been reached between the governor and the Washington state patrol troopers association through an interest arbitration decision under the provisions of chapter 41.56 RCW for the 2015-2017 fiscal biennium. Funding is provided for the awarded seven percent general wage increase effective July 1, 2015, and a three percent general wage increase effective July 1, 2016. Funding is also provided for a three percent specialty pay for breath alcohol concentration technicians

<u>NEW SECTION.</u> Sec. 918. COLLECTIVE BARGAINING AGREEMENT—WSP LIEUTENANTS ASSOCIATION

An agreement has been reached between the governor and the Washington state patrol lieutenants association through an interest arbitration decision under the provisions of chapter 41.56 RCW for the 2015-2017 fiscal biennium. Funding is provided for the awarded five percent general wage increase effective July 1, 2015, and a five percent general wage increase effective July 1, 2016. Funding is also provided to increase annual clothing allowance and increase in accumulated holiday credits.

NEW SECTION. Sec. 919. COLLECTIVE BARGAINING AGREEMENT—YAKIMA VALLEY COMMUNITY COLLEGE—WPEA

An agreement has been reached between Yakima Valley Community College and the Washington public employees association under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective July 1, 2016. The agreement also includes and funding is provided for salary adjustments for targeted job classifications, an hourly increase in shift differential pay, and a one-time settlement incentive pay of two and one-half percent of anticipated salary per year.

NEW SECTION. Sec. 920. COLLECTIVE BARGAINING AGREEMENT—HIGHLINE COLLEGE—WPEA

An agreement has been reached between Highline college and the Washington public employees association under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective July 1, 2016. The agreement also includes and funding is provided for two additional personal leave days per year, an hourly increase in shift differential pay, and a one-time signing incentive.

<u>NEW SECTION.</u> Sec. 921. COLLECTIVE BARGAINING AGREEMENT—THE EVERGREEN STATE COLLEGE—WFSE

An agreement has been reached between The Evergreen State College and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eight-tenths

percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective July 1, 2016. The agreement also includes and funding is provided for salary adjustments for targeted job classifications, assignment pay for specified job classes, additional steps to the vacation accrual schedules, and a rate re-opener if specified conditions exist.

<u>NEW SECTION.</u> Sec. 922. COLLECTIVE BARGAINING AGREEMENT—WESTERN WASHINGTON UNIVERSITY—WFSE

An agreement has been reached between the Western Washington University and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase effective July 1, 2016. The agreement also includes and funding is provided for implementation of the salary survey to twenty-five percent of the prevailing wage, and for increases to targeted job classifications.

<u>NEW SECTION.</u> Sec. 923. COLLECTIVE BARGAINING AGREEMENT—WESTERN WASHINGTON UNIVERSITY—PSE

An agreement has been reached between the Western Washington University and the public schools employees under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase effective July 1, 2016. The agreement also includes and funding is provided for implementation of the salary survey to twenty-five percent of the prevailing wage, and for increases to targeted job classifications.

<u>NEW SECTION.</u> Sec. 924. COLLECTIVE BARGAINING AGREEMENT—EASTERN WASHINGTON UNIVERSITY—WFSE

An agreement has been reached between Eastern Washington University and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eightenths percent general wage increase or a one percent general wage increase plus eleven cents per hour, whichever is greater, effective July 1, 2016. The agreement also includes and funding is provided for salary adjustments for targeted job classifications, a wage increase for employees earning less than fifteen dollars per hour, and a one hundred fifty dollar signing bonus.

<u>NEW SECTION.</u> Sec. 925. COLLECTIVE BARGAINING AGREEMENT—CENTRAL WASHINGTON UNIVERSITY—WFSE

An agreement has been reached between Central Washington University and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a two percent increase in base wages effective July 1, 2015, and a one and eighttenths percent increase in base wages effective July 1, 2016. The agreement also includes and funding is provided for a two and one-half of one percent salary adjustment for targeted job classifications, an extension of call back pay to law enforcement officers, an increase in law enforcement officer footwear reimbursement, and an increase in the hourly rate for shift premium.

<u>NEW SECTION.</u> Sec. 926. COLLECTIVE BARGAINING AGREEMENT—CENTRAL WASHINGTON UNIVERSITY—PSE

An agreement has been reached between Central Washington University and the public schools employees under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a two percent increase in base wages effective July 1, 2015, and a one and eight-tenths percent increase in base wages effective July 1, 2016. The agreement also includes and funding is provided for a two and one-half of one percent salary adjustment for targeted job classifications and an increase in standby pay rate.

<u>NEW SECTION.</u> Sec. 927. COLLECTIVE BARGAINING AGREEMENT—UNIVERSITY OF WASHINGTON—WESE

An agreement has been reached between the University of Washington and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a two percent general wage increase effective July 1, 2016. The agreement also includes and funding is provided for market adjustments for targeted job classifications, an adjustment to the minimum pay step, and targeted incentive and longevity pay for police management staff.

NEW SECTION. Sec. 928. COLLECTIVE BARGAINING AGREEMENT—UNIVERSITY OF WASHINGTON—SEIU 925

An agreement has been reached between the University of Washington and the service employees Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a two percent general wage increase effective July 1, 2016. The agreement also includes and funding is provided for salary and market adjustments for targeted job classifications, and an adjustment to the minimum pay rate.

<u>NEW SECTION.</u> Sec. 929. COLLECTIVE BARGAINING AGREEMENT—WASHINGTON STATE UNIVERSITY—WFSE

An agreement has been reached between the Washington State University and the Washington federation of state employees under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eighttenths percent general wage increase effective July 1, 2016.

<u>NEW SECTION.</u> Sec. 930. COLLECTIVE BARGAINING AGREEMENT—WASHINGTON STATE UNIVERSITY—PSE

An agreement has been reached between the Washington State University and the public schools employees under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase or a one percent general wage increase plus twenty dollars per month, whichever is greater, effective July 1, 2016.

<u>NEW SECTION.</u> Sec. 931. COLLECTIVE BARGAINING AGREEMENT—WASHINGTON STATE UNIVERSITY—WSU POLICE GUILD

An agreement has been reached between the Washington State University and the WSU Police Guild under the provisions of chapter 41.80 RCW for the 2015-2017 fiscal biennium. Funding is provided for a three percent general wage increase effective July 1, 2015, and a one and eight-tenths percent general wage increase effective July 1, 2016.

<u>NEW SECTION.</u> Sec. 932. COMPENSATION—REPRESENTED EMPLOYEES—SUPER COALITION—INSURANCE BENEFITS

An agreement has been reached for the 2015-2017 fiscal biennium between the governor and the health care super coalition under the provisions of chapter 41.80 RCW. Appropriations in this act for state agencies, including institutions of higher education, are sufficient to implement the provisions of the 2015-2017 collective bargaining agreement and are subject to the following conditions and limitations:

- (1)(a) The monthly employer funding rate for insurance benefit premiums, public employees' benefits board administration, and the uniform medical plan shall not exceed \$840 per eligible employee for fiscal year 2016. For fiscal year 2017, the monthly employer funding rate shall not exceed \$894 per eligible employee.
- (b) Except as provided by the parties' health care agreement, in order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065. The board shall collect a twenty-five dollar per month surcharge payment from members who use tobacco products and a surcharge payment of not less than fifty dollars per month from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in another 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. The surcharge payments shall be collected in addition to the member premium payment.
- (c) 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. For calendar years 2016 and 2017, the subsidy shall be up to \$150.00 per month.
- (3) All savings resulting from reduced claim costs or other factors identified after June 1, 2015, must be reserved for funding employee health benefits in the 2017-2019 fiscal biennium.

NEW SECTION. Sec. 933. 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, public employees' benefits board administration, and the uniform medical plan shall not exceed \$840 per eligible employee for fiscal year 2016. For fiscal year 2017, the monthly employer funding rate shall not exceed \$894 per eligible employee.
- (b) In order to achieve the level of funding provided for health benefits, the public employees' benefits board shall require any or all of the following: Employee premium copayments, increases in point-of-service cost sharing, the implementation of managed competition, or make other changes to benefits consistent with RCW 41.05.065. The board shall collect a twenty-five dollar per month surcharge payment from members who use tobacco products and a surcharge payment of not less than fifty dollars per month from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in another 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. The surcharge payments shall be collected in addition to the member premium payment.
- (c) 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. For calendar years 2016 and 2017, the subsidy shall be up to \$150.00 per month.
- (3) All savings resulting from reduced claim costs or other factors identified after June 1, 2015, must be reserved for funding employee health benefits in the 2017-2019 fiscal biennium.

NEW SECTION. COLLECTIVE BARGAINING Sec. 934. AGREEMENT FOR NONSTATE EMPLOYEES—LANGUAGE ACCESS PROVIDERS WESE

An agreement has been reached between the governor and the Washington federation of state employees for the language access providers under the provisions of chapter 41.56 RCW for the 2015-2017 fiscal biennium. The state will no longer pay for mileage related to appointments in exchange for a general rate increase of three dollars and fifty cents per hour, which results in no increased expenditures. In addition, funding is provided for a rate increase of one dollar and ten cents per hour effective July 1, 2015, and a rate increase of ninety cents per hour effective July 1, 2016.

<u>NEW SECTION.</u> Sec. 935. COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES—SEIU HEALTHCARE 775NW HOMECARE WORKERS

An agreement has been reached between the governor and the service employees international union healthcare 775nw under the provisions of chapter 74.39A and 41.56 RCW for the 2015-2017 fiscal biennium. Funding is provided for increases to wages and pay differentials, contributions to a retirement benefit, and contributions to health care. Funding is also provided for increased contributions for training related obligations.

NEW SECTION. Sec. 936. COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES—SEIU LOCAL 925 CHILDCARE WORKERS

An agreement has been reached between the governor and the service employees international union local 925 through an interest arbitration decision and under the provisions of chapter 41.56 RCW for the 2015-2017 fiscal biennium. Funding is provided for the awarded base rate increases and a two percent enhanced rate for license-exempt providers who complete additional training. The agreement also includes an increased non-standard hours bonus with an increased cap, increased health care funding, and an extension of tiered reimbursement rates.

NEW SECTION. Sec. 937. COLLECTIVE BARGAINING AGREEMENT FOR NONSTATE EMPLOYEES—WSRCC ADULT FAMILY HOMES

An agreement has been reached between the governor and the Washington state residential care council through an interest arbitration award and under the provisions of chapter 41.56 RCW for the 2015-2017 fiscal biennium. Funding is provided for the awarded five percent daily rate increase effective July 1, 2015, and a five percent daily rate increase effective July 1, 2016. Funding is also provided for a five-year meaningful home-based activities pilot program.

<u>NEW SECTION.</u> Sec. 938. 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, public employees' benefits board administration, and the uniform medical plan, shall not exceed \$840 per eligible employee for fiscal year 2016. For fiscal year 2017, the monthly employer funding rate shall not exceed \$894 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 make other changes to benefits consistent with RCW 41.05.065. The board shall collect a twenty-five dollar per month surcharge payment from members who use tobacco products and a surcharge payment of not less than fifty dollars per month from members who cover a spouse or domestic partner where the spouse or domestic partner has chosen not to enroll in another 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. The surcharge payments shall be collected in addition to the member premium payment.

- (c) 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. For calendar years 2016 and 2017, the subsidy 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, \$65.25 per month beginning September 1, 2015, and \$70.45 beginning September 1, 2016; 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, \$65.25 each month beginning September 1, 2015, and \$70.45 beginning September 1, 2016, 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.
- (4) All savings resulting from reduced claim costs or other factors identified after June 1, 2015, must be reserved for funding employee health benefits in the 2017-2019 fiscal biennium.

NEW SECTION. Sec. 939. GENERAL WAGE INCREASES

- (1) Appropriations for state agencies in this act are sufficient to provide for increases to state agency employee compensation for employees who are not represented or who bargain under statutory authority other than chapter 41.80 or 47.64 RCW, or RCW 41.56.473 or 41.56.475 is sufficient for general wage increases.
- (2) Funding is provided for a three percent general wage increase effective July 1, 2015, for all classified employees, as specified in subsection (1) of this section, employees in the Washington management service, and exempt employees under the jurisdiction of the office of financial management. The appropriations are also sufficient to fund a three percent salary increase effective July 1, 2015, for executive, legislative, and judicial branch employees exempt from merit system rules, whose maximum salaries are not set by the commission on salaries for elected officials.
- (3) Funding is provided for a general wage increase of one and eight-tenths percent or a one percent general wage increase plus twenty dollars per month,

whichever is greater, effective July 1, 2016, for all classified employees, as specified in subsection (1) of this section, employees in the Washington management service, and exempt employees under the jurisdiction of the office of financial management. The appropriations are also sufficient to fund a one and eight-tenths percent salary increase effective July 1, 2016, for executive, legislative, and judicial branch employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

<u>NEW SECTION.</u> Sec. 940. INITIATIVE 732 COST-OF-LIVING INCREASES

Part 9 of this act authorizes general wage increases for general government state employees covered by Initiative Measure No. 732. The general wage increases are inclusive of the annual cost-of-living adjustments required under Initiative Measure No. 732.

NEW SECTION. Sec. 941. TARGETED COMPENSATION INCREASES

Funding is provided within agency appropriations for salary adjustments for targeted job classifications as specified by the office of financial management of classified state employees, except those represented by a collective bargaining unit under chapters 41.80 and 47.64 RCW and RCW 41.56.473 and 41.56.475.

<u>NEW SECTION.</u> Sec. 942. COMPENSATION—REVISE PENSION CONTRIBUTION RATES

The appropriations for school districts and state agencies, including institutions of higher education are subject to the following conditions and limitations: Appropriations are adjusted to reflect changes to agency appropriations to reflect pension contribution rates adopted by the pension funding council and the law enforcement officers' and firefighters' retirement system plan 2 board.

<u>NEW SECTION.</u> Sec. 943. 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: \$75,000,000 for the department of revenue to continue replacement of the taxpayer legacy system.
- (3) Expenditures made by an agency for one of the indicated purposes before the issue date of the authorized financial contract and any certificates of participation therein are intended to be reimbursed from proceeds of the financial contract and any certificates of participation therein to the extent provided in the agency's financing plan approved by the state finance committee.

<u>NEW SECTION.</u> Sec. 944. IT PROJECT OVERSIGHT AND BUDGETING TASK FORCE

- (1) The IT project oversight and budgeting task force is created. It is comprised of the chairs and ranking minority members, or their designees, of the house of representatives appropriations committee and the senate ways and means committee, and one member each from the two largest caucuses of the senate and the two largest caucuses of the house of representatives. The director of financial management and the state chief information officer, or their designees, are members of the task force. The task force is chaired jointly by the chair of the house of representatives appropriations committee and the chair of the senate ways and means committee. The task force is staffed by the house of representatives office of program research and senate committee services. The task force shall coordinate its activities with the technology services board created in RCW 43.41A.070 and use board members, their experience and expertise as a resource in task force activities.
- (2) The task force will review the current IT project development, project oversight, and budgeting processes in Washington state, as well as processes used in other states and large private sector organizations. The task force will review options to increase enterprise wide IT solutions, improve project development and oversight processes in Washington, and to better integrate these processes with the budget process. The committee will also review budgeting for IT projects and make recommendations regarding how budgeting for IT spending in Washington might be more efficient. In its review, the task force should consider options such as a separate IT budget as a subset of the operating budget or a more long-term planning process like the 10- year capital budget project planning process.
- (3) The task force will report on any findings and recommendations it develops by December 2015 to the house of representatives appropriations committee, the house of representatives general government and information technology committee, the senate ways and means committee, the senate government operating and security committee, and the governor.
 - (4) This section expires on December 31, 2015.
- **Sec. 945.** RCW 28B.15.069 and 2013 2nd sp.s. c 4 s 959 are each amended to read as follows:

- (1) The building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the office of financial management and be based on the actual percentage the building fee is of total tuition for each tuition category in the 1994-95 academic year, rounded up to the nearest half percent.
- (2) The governing boards of each institution of higher education, except for the technical colleges, shall charge to and collect from each student a services and activities fee. A governing board may increase the existing fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by a percentage not to exceed the annual percentage increase in student tuition fees for resident undergraduate students: PROVIDED, That such percentage increase shall not apply to that portion of the services and activities fee previously committed to the repayment of bonded debt. These rate adjustments may exceed the fiscal growth factor. For the ((2013-2015)) 2015-2017 fiscal biennium, each governing board is authorized to increase the services and activities fees by amounts judged reasonable and necessary by the services and activities fee committee and the governing board consistent with the budgeting procedures set forth in RCW 28B.15.045. The services and activities fee committee provided for in RCW 28B.15.045 may initiate a request to the governing board for a fee increase.
- (3) Tuition and services and activities fees consistent with subsection (2) of this section shall be set by the state board for community and technical colleges for community college summer school students unless the community college charges fees in accordance with RCW 28B.15.515.
- (4) Subject to the limitations of RCW 28B.15.910, each governing board of a community college may charge such fees for ungraded courses, noncredit courses, community services courses, and self-supporting courses as it, in its discretion, may determine, consistent with the rules of the state board for community and technical colleges.
- (5) The governing board of a college offering an applied baccalaureate degree program under RCW 28B.50.810 may charge tuition fees for those courses above the associate degree level at rates consistent with rules adopted by the state board for community and technical colleges, not to exceed tuition fee rates at the regional universities.
- **Sec. 946.** RCW 28B.50.140 and 2014 c 158 s 1 are each amended to read as follows:

Each board of trustees:

- (1) Shall operate all existing community and technical colleges in its district;
- (2) Shall create comprehensive programs of community and technical college education and training and maintain an open-door policy in accordance with the provisions of RCW 28B.50.090(3);
- (3) Shall employ for a period to be fixed by the board a college president for each community and technical college and, may appoint a president for the district, and fix their duties and compensation, which may include elements other than salary. Compensation under this subsection shall not affect but may supplement retirement, health care, and other benefits that are otherwise applicable to the presidents as state employees. The board shall also employ for a period to be fixed by the board members of the faculty and such other

administrative officers and other employees as may be necessary or appropriate and fix their salaries and duties. Except for increments provided with local resources during the 2015-2017 fiscal biennium, compensation and salary increases under this subsection shall not exceed the amount or percentage established for those purposes in the state appropriations act by the legislature as allocated to the board of trustees by the state board for community and technical colleges. The state board for community and technical colleges shall adopt rules defining the permissible elements of compensation under this subsection;

- (4) May establish, in accordance with RCW 28B.77.080, new facilities as community needs and interests demand. However, the authority of boards of trustees to purchase or lease major off-campus facilities shall be subject to the approval of the student achievement council pursuant to RCW 28B.77.080;
- (5) May establish or lease, operate, equip and maintain dormitories, food service facilities, bookstores and other self-supporting facilities connected with the operation of the community and technical college;
- (6) May, with the approval of the college board, borrow money and issue and sell revenue bonds or other evidences of indebtedness for the construction, reconstruction, erection, equipping with permanent fixtures, demolition and major alteration of buildings or other capital assets, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances, for dormitories, food service facilities, and other self-supporting facilities connected with the operation of the community and technical college in accordance with the provisions of RCW 28B.10.300 through 28B.10.330 where applicable;
- (7) May establish fees and charges for the facilities authorized hereunder, including reasonable rules and regulations for the government thereof, not inconsistent with the rules of the college board; each board of trustees operating a community and technical college may enter into agreements, subject to rules of the college board, with owners of facilities to be used for housing regarding the management, operation, and government of such facilities, and any board entering into such an agreement may:
- (a) Make rules for the government, management and operation of such housing facilities deemed necessary or advisable; and
 - (b) Employ necessary employees to govern, manage and operate the same;
- (8) May receive such gifts, grants, conveyances, devises and bequests of real or personal property from private sources, as may be made from time to time, in trust or otherwise, whenever the terms and conditions thereof will aid in carrying out the community and technical college programs as specified by law and the rules of the state college board; sell, lease or exchange, invest or expend the same or the proceeds, rents, profits and income thereof according to the terms and conditions thereof; and adopt rules to govern the receipt and expenditure of the proceeds, rents, profits and income thereof;
- (9) May establish and maintain night schools whenever in the discretion of the board of trustees it is deemed advisable, and authorize classrooms and other facilities to be used for summer or night schools, or for public meetings and for any other uses consistent with the use of such classrooms or facilities for community and technical college purposes;
- (10) May make rules for pedestrian and vehicular traffic on property owned, operated, or maintained by the district;

- (11) Shall prescribe, with the assistance of the faculty, the course of study in the various departments of the community and technical college or colleges under its control, and publish such catalogues and bulletins as may become necessary;
- (12) May grant to every student, upon graduation or completion of a course of study, a suitable diploma, degree, or certificate under the rules of the state board for community and technical colleges that are appropriate to their mission. The purposes of these diplomas, certificates, and degrees are to lead individuals directly to employment in a specific occupation or prepare individuals for a bachelor's degree or beyond. Technical colleges may only offer transfer degrees that prepare students for bachelor's degrees in professional fields, subject to rules adopted by the college board. In adopting rules, the college board, where possible, shall create consistency between community and technical colleges and may address issues related to tuition and fee rates; tuition waivers; enrollment counting, including the use of credits instead of clock hours; degree granting authority; or any other rules necessary to offer the associate degrees that prepare students for transfer to bachelor's degrees in professional areas. Only colleges under RCW 28B.50.810 may award baccalaureate degrees. The board, upon recommendation of the faculty, may also confer honorary associate of arts degrees, or if it is authorized to award baccalaureate degrees may confer honorary bachelor of applied science degrees, upon persons other than graduates of the community college, in recognition of their learning or devotion to education, literature, art, or science. No degree may be conferred in consideration of the payment of money or the donation of any kind of property;
- (13) Shall enforce the rules prescribed by the state board for community and technical colleges for the government of community and technical colleges, students and teachers, and adopt such rules and perform all other acts not inconsistent with law or rules of the state board for community and technical colleges as the board of trustees may in its discretion deem necessary or appropriate to the administration of college districts: PROVIDED, That such rules shall include, but not be limited to, rules relating to housing, scholarships, conduct at the various community and technical college facilities, and discipline: PROVIDED, FURTHER, That the board of trustees may suspend or expel from community and technical colleges students who refuse to obey any of the duly adopted rules;
- (14) May, by written order filed in its office, delegate to the president or district president any of the powers and duties vested in or imposed upon it by this chapter. Such delegated powers and duties may be exercised in the name of the district board;
- (15) May perform such other activities consistent with this chapter and not in conflict with the directives of the college board;
- (16) Notwithstanding any other provision of law, may offer educational services on a contractual basis other than the tuition and fee basis set forth in chapter 28B.15 RCW for a special fee to private or governmental entities, consistent with rules adopted by the state board for community and technical colleges: PROVIDED, That the whole of such special fee shall go to the college district and be not less than the full instructional costs of such services including any salary increases authorized by the legislature for community and technical college employees during the term of the agreement: PROVIDED FURTHER,

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That enrollments generated hereunder shall not be counted toward the official enrollment level of the college district for state funding purposes;

- (17) Notwithstanding any other provision of law, may offer educational services on a contractual basis, charging tuition and fees as set forth in chapter 28B.15 RCW, counting such enrollments for state funding purposes, and may additionally charge a special supplemental fee when necessary to cover the full instructional costs of such services: PROVIDED, That such contracts shall be subject to review by the state board for community and technical colleges and to such rules as the state board may adopt for that purpose in order to assure that the sum of the supplemental fee and the normal state funding shall not exceed the projected total cost of offering the educational service: PROVIDED FURTHER, That enrollments generated by courses offered on the basis of contracts requiring payment of a share of the normal costs of the course will be discounted to the percentage provided by the college;
- (18) Shall be authorized to pay dues to any association of trustees that may be formed by the various boards of trustees; such association may expend any or all of such funds to submit biennially, or more often if necessary, to the governor and to the legislature, the recommendations of the association regarding changes which would affect the efficiency of such association;
- (19) May participate in higher education centers and consortia that involve any four-year public or independent college or university in accordance with RCW 28B.77.080;
- (20) Shall perform any other duties and responsibilities imposed by law or rule of the state board; and
- (21) May confer honorary associate of arts degrees upon persons who request an honorary degree if they were students at the college in 1942 and did not graduate because they were ordered into an internment camp. The honorary degree may also be requested by a representative of deceased persons who meet these requirements. For the purposes of this subsection, "internment camp" means a relocation center to which persons were ordered evacuated by Presidential Executive Order 9066, signed on February 19, 1942.
- **Sec. 947.** RCW 28B.115.070 and 2011 1st sp.s. c 11 s 207 are each amended to read as follows:

After June 1, 1992, the department, in consultation with the office and the department of social and health services, shall:

- (1) Determine eligible credentialed health care professions for the purposes of the loan repayment and scholarship program authorized by this chapter. Eligibility shall be based upon an assessment that determines that there is a shortage or insufficient availability of a credentialed profession so as to jeopardize patient care and pose a threat to the public health and safety. The department shall consider the relative degree of shortages among professions when determining eligibility. The department may add or remove professions from eligibility based upon the determination that a profession is no longer in shortage. Should a profession no longer be eligible, participants or eligible students who have received scholarships shall be eligible to continue to receive scholarships or loan repayments until they are no longer eligible or until their service obligation has been completed;
- (2) Determine health professional shortage areas for each of the eligible credentialed health care professions.

- (3) For the 2015-2017 fiscal biennium, consideration for eligibility shall also be given to registered nursing students who have been accepted into an eligible nursing education program and have declared an intention to teach nursing upon completion of the nursing education program.
- **Sec. 948.** RCW 28C.04.535 and 2013 2nd sp.s. c 4 s 964 are each amended to read as follows:

Except for the ((2013-14 and 2014-15)) 2015-16 and 2016-17 school years, the Washington award for vocational excellence shall be granted annually. The workforce training and education coordinating board shall notify the students receiving the award, their vocational instructors, local chambers of commerce, the legislators of their respective districts, and the governor, after final selections have been made. The workforce training and education coordinating board, in conjunction with the governor's office, shall prepare appropriate certificates to be presented to the selected students. Awards shall be presented in public ceremonies at times and places determined by the workforce training and education coordinating board in cooperation with the office of the governor.

Sec. 949. RCW 38.52.540 and 2013 2nd sp.s. c 4 s 966 are each amended to read as follows:

- (1) The enhanced 911 account is created in the state treasury. All receipts from the state enhanced 911 excise taxes imposed by RCW 82.14B.030 must be deposited into the account. Moneys in the account must be used only to support the statewide coordination and management of the enhanced 911 system, for the implementation of wireless enhanced 911 statewide, for the modernization of enhanced 911 emergency communications systems statewide, and to help supplement, within available funds, the operational costs of the system, including adequate funding of counties to enable implementation of wireless enhanced 911 service and reimbursement of radio communications service companies for costs incurred in providing wireless enhanced 911 service pursuant to negotiated contracts between the counties or their agents and the radio communications service companies. For the 2013-2015 and the 2015-2017 fiscal ((biennium)) biennia, the account may be used for a criminal history system upgrade in the Washington state patrol and for activities and programs in the military department. A county must show just cause, including but not limited to a true and accurate accounting of the funds expended, for any inability to provide reimbursement to radio communications service companies of costs incurred in providing enhanced 911 service.
- (2) Funds generated by the enhanced 911 excise tax imposed by RCW 82.14B.030(5) may not be distributed to any county that has not imposed the maximum county enhanced 911 excise tax allowed under RCW 82.14B.030(1). Funds generated by the enhanced 911 excise tax imposed by RCW 82.14B.030(6) may not be distributed to any county that has not imposed the maximum county enhanced 911 excise tax allowed under RCW 82.14B.030(2).
- (3) The state enhanced 911 coordinator, with the advice and assistance of the enhanced 911 advisory committee, is authorized to enter into statewide agreements to improve the efficiency of enhanced 911 services for all counties and shall specify by rule the additional purposes for which moneys, if available, may be expended from this account.

- *Sec. 950. RCW 41.26.802 and 2013 2nd sp.s. c 4 s 969 are each amended to read as follows:
- (1) By September 30, 2011, if the prior fiscal biennium's general state revenues exceed the previous fiscal biennium's revenues by more than five percent, subject to appropriation by the legislature, the state treasurer shall transfer five million dollars to the local public safety enhancement account.
- (2) ((By September 30, 2015, if the prior fiscal biennium's general state revenues exceed the previous fiscal biennium's revenues by more than five percent, subject to appropriation by the legislature, the state treasurer shall transfer twenty million dollars to the local public safety enhancement account.
- (3)) By September 30, 2017, and by September 30 of each oddnumbered year thereafter, if the prior fiscal biennium's general state revenues exceed the previous fiscal biennium's revenues by more than five percent, subject to appropriation by the legislature, the state treasurer shall transfer the lesser of onethird of the increase, or fifty million dollars, to the local public safety enhancement account.
- (3) It is the intent of the legislature to fund the portion of the distribution in 2017 dedicated to the local law enforcement officers' and firefighters' retirement system benefits improvement account through alternate means, which may include transfers from the law enforcement officers' and firefighters' plan 2 retirement fund.

Sec. 950 is partially vetoed. See message at end of chapter.

- **Sec. 951.** RCW 41.50.110 and 2011 1st sp.s. c 50 s 936 and 2011 1st sp.s. c 47 s 22 are each reenacted and amended to read as follows:
- (1) Except as provided by RCW 41.50.255 and subsection (6) of this section, all expenses of the administration of the department, the expenses of administration of the retirement systems, and the expenses of the administration of the office of the state actuary created in chapters 2.10, 2.12, 28B.10, 41.26, 41.32, 41.40, 41.34, 41.35, 41.37, 43.43, and 44.44 RCW shall be paid from the department of retirement systems expense fund.
- (2) In order to reimburse the department of retirement systems expense fund on an equitable basis the department shall ascertain and report to each employer, as defined in RCW 28B.10.400, 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, the sum necessary to defray its proportional share of the entire expense of the administration of the retirement system that the employer participates in during the ensuing biennium or fiscal year whichever may be required. Such sum is to be computed in an amount directly proportional to the estimated entire expense of the administration as the ratio of monthly salaries of the employer's members bears to the total salaries of all members in the entire system. It shall then be the duty of all such employers to include in their budgets or otherwise provide the amounts so required.
- (3) The department shall compute and bill each employer, as defined in RCW 28B.10.400, 41.26.030, 41.32.010, 41.35.010, 41.37.010, or 41.40.010, at the end of each month for the amount due for that month to the department of retirement systems expense fund and the same shall be paid as are its other obligations. Such computation as to each employer shall be made on a percentage rate of salary established by the department. However, the department may at its discretion establish a system of billing based upon

calendar year quarters in which event the said billing shall be at the end of each such quarter.

- (4) The director may adjust the expense fund contribution rate for each system at any time when necessary to reflect unanticipated costs or savings in administering the department.
- (5) An employer who fails to submit timely and accurate reports to the department may be assessed an additional fee related to the increased costs incurred by the department in processing the deficient reports. Fees paid under this subsection shall be deposited in the retirement system expense fund.
- (a) Every six months the department shall determine the amount of an employer's fee by reviewing the timeliness and accuracy of the reports submitted by the employer in the preceding six months. If those reports were not both timely and accurate the department may prospectively assess an additional fee under this subsection.
- (b) An additional fee assessed by the department under this subsection shall not exceed fifty percent of the standard fee.
 - (c) The department shall adopt rules implementing this section.
- (6) Expenses other than those under RCW $41.34.060((\frac{(3)}{(3)}))$ (4) shall be paid pursuant to subsection (1) of this section.
- (7) During the 2009-2011 and 2011-2013 fiscal biennia, the legislature may transfer from the department of retirement systems' expense fund to the state general fund such amounts as reflect the excess fund balance of the fund. <u>During the 2015-2017 fiscal biennium</u>, state contributions to the judicial retirement system may be made in part by appropriations from the department of retirement systems expense fund.
- **Sec. 952.** RCW 41.60.050 and 2013 2nd sp.s. c 4 s 970 are each amended to read as follows:

The legislature shall appropriate from the personnel service fund for the payment of administrative costs of the productivity board. However, during the ((2011-2013 and)) 2013-2015 and 2015-2017 fiscal biennia, the operations of the productivity board shall be suspended.

Sec. 953. RCW 43.08.190 and 2013 2nd sp.s. c 4 s 973 are each amended to read as follows:

There is hereby created a fund within the state treasury to be known as the "state treasurer's service fund." Such fund shall be used solely for the payment of costs and expenses incurred in the operation and administration of the state treasurer's office.

Moneys shall be allocated monthly and placed in the state treasurer's service fund equivalent to a maximum of one percent of the trust and treasury average daily cash balances from the earnings generated under the authority of RCW 43.79A.040 and 43.84.080 other than earnings generated from investment of balances in funds and accounts specified in RCW 43.79A.040(4)(c). The allocation shall precede the distribution of the remaining earnings as prescribed under RCW 43.79A.040 and 43.84.092. The state treasurer shall establish a uniform allocation rate for all funds and accounts; except that the state treasurer may negotiate a different allocation rate with any state agency that has independent authority over funds not statutorily required to be held in the state treasury or in the custody of the state treasurer. In no event shall the rate be less

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than the actual costs incurred by the state treasurer's office. If no rate is separately negotiated, the default rate for any funds held shall be the rate set for funds held pursuant to statute.

During the ((2009-2011 fiscal biennium and the 2011-2013 and)) 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer from the state treasurer's service fund to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 954. RCW 43.09.475 and 2013 2nd sp.s. c 4 s 974 are each amended to read as follows:

The performance audits of government account is hereby created in the custody of the state treasurer. Revenue identified in RCW 82.08.020(5) and 82.12.0201 shall be deposited in the account. Money in the account shall be used to fund the performance audits and follow-up performance audits under RCW 43.09.470 and shall be expended by the state auditor in accordance with chapter 1, Laws of 2006. Only the state auditor or the state auditor's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. During the ((2011-2013 and the)) 2013-2015 and 2015-2017 fiscal biennia, the performance audits of government account may be appropriated for ((fraud investigations in the state auditor's office and the department of social and health services, audit and collection functions in the department of revenue,)) the joint legislative audit and review committee, the legislative evaluation and accountability program committee, the office of financial management, the superintendent of public instruction, and audits of school districts. In addition, during the ((2011-2013 and)) 2013-2015 and 2015-2017 fiscal biennia the account may be used to fund the office of financial management's contract for the compliance audit of the state auditor. In addition, during the 2015-2017 fiscal biennium, the legislature may transfer from the performance audits of government account to the state general fund such amounts as reflect the excess fund balance of the fund.

Sec. 955. RCW 43.43.839 and 2014 c 221 s 916 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. During the 2015-2017 fiscal biennium, funds in the account may

be used for expenditures related to the upgrade of the state patrol's criminal history system.

- **Sec. 956.** 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 and 2015-2017 fiscal ((biennium)) biennia, the legislature may transfer less than the entire strategic contribution payments, and may transfer amounts attributable to strategic contribution payments, and may transfer amounts attributable to strategic contribution payments into the state general fund.
- (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. 957.** RCW 43.101.200 and 2013 2nd sp.s. c 4 s 982 are each amended to read as follows:
- (1) All law enforcement personnel, except volunteers, and reserve officers whether paid or unpaid, initially employed on or after January 1, 1978, shall engage in basic law enforcement training which complies with standards adopted by the commission pursuant to RCW 43.101.080. For personnel initially employed before January 1, 1990, such training shall be successfully completed during the first fifteen months of employment of such personnel unless otherwise extended or waived by the commission and shall be requisite to the continuation of such employment. Personnel initially employed on or after January 1, 1990, shall commence basic training during the first six months of employment unless the basic training requirement is otherwise waived or extended by the commission. Successful completion of basic training is requisite to the continuation of employment of such personnel initially employed on or after January 1, 1990.
- (2) Except as otherwise provided in this chapter, the commission shall provide the aforementioned training together with necessary facilities, supplies, materials, and the board and room of noncommuting attendees for seven days

per week, except during the 2013-2015 and 2015-2017 fiscal ((biennium)) biennia when the employing, county, city, or state law enforcement agency shall reimburse the commission for twenty-five percent of the cost of training its personnel. Additionally, to the extent funds are provided for this purpose, the commission shall reimburse to participating law enforcement agencies with ten or less full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training: PROVIDED, That such reimbursement shall include only the actual cost of temporary replacement not to exceed the total amount of salary and benefits received by the replaced officer during his or her training period.

Sec. 958. RCW 43.101.220 and 2014 c 221 s 918 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 and 2015-2017 fiscal ((biennium)) biennia, 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. 959.** RCW 43.155.050 and 2013 2nd sp.s. c 4 s 983 are each amended to read as follows:

The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source. Money in the public works assistance account shall be used to make loans and to give financial guarantees to local governments for public works projects. Moneys in the account may also be appropriated to provide for state match requirements under federal law for projects and activities conducted and financed by the board under the drinking water assistance account. Not more than fifteen percent of the biennial capital budget appropriation to the public works board from this account may be expended or obligated for preconstruction

loans, emergency loans, or loans for capital facility planning under this chapter; of this amount, not more than ten percent of the biennial capital budget appropriation may be expended for emergency loans and not more than one percent of the biennial capital budget appropriation may be expended for capital facility planning loans. During the 2011-2013 and 2013-2015 fiscal biennium, the legislature may transfer from the public works assistance account to the general fund, the water pollution control revolving account, and the drinking water assistance account such amounts as reflect the excess fund balance of the account. During the 2011-2013 fiscal biennium, the legislature may appropriate moneys from the account for economic development, innovation, and export grants, including brownfields; main street improvement grants; and the loan program consolidation board. During the 2013-2015 fiscal biennium, the legislature may transfer from the public works assistance account to the education legacy trust account such amounts as specified by the legislature. During the 2015-2017 fiscal biennium, the legislature may appropriate moneys from the account for activities related to the growth management act and the voluntary stewardship program. During the 2015-2017 fiscal biennium, the legislature may transfer from the public works assistance account to the state general fund such amounts as specified by the legislature. In the 2017-2019 fiscal biennium the legislature intends to allocate seventy-three million dollars of future loan repayments paid into the public works assistance account to support basic education.

Sec. 960. RCW 43.320.110 and 2011 2nd sp.s. c 9 s 909 are each amended to read as follows:

There is created a local fund known as the "financial services regulation fund" which shall consist of all moneys received by the divisions of the department of financial institutions, except for the division of securities which shall deposit thirteen percent of all moneys received, except as provided in RCW 43.320.115, and which shall be used for the purchase of supplies and necessary equipment; the payment of salaries, wages, and utilities; the establishment of reserves; and other incidental costs required for the proper regulation of individuals and entities subject to regulation by the department. The state treasurer shall be the custodian of the fund. Disbursements from the fund shall be on authorization of the director of financial institutions or the director's designee. In order to maintain an effective expenditure and revenue control, the fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

During the ((2011-2013)) 2015-2017 fiscal biennium, the legislature may transfer from the financial services regulation fund to the state general fund such amounts as reflect the excess fund balance of the fund. During the 2015-2017 fiscal biennium, moneys from the financial services regulation fund may be appropriated for the family prosperity account program at the department of commerce and for the operations of the department of revenue.

Sec. 961. RCW 43.325.040 and 2013 2nd sp.s. c 4 s 984 are each amended to read as follows:

(1) The energy freedom account is created in the state treasury. All receipts from appropriations made to the account and any loan payments of principal and interest derived from loans made under the energy freedom account 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 financial assistance for further funding for projects consistent with this chapter or otherwise authorized by the legislature. <u>During the 2015-2017 fiscal biennium</u>, the legislature may appropriate moneys from the account to fund the state energy office in the department of commerce.

- (2) The green energy incentive account is created in the state treasury as a subaccount of the energy freedom account. All receipts from appropriations made to the green energy incentive account shall be deposited into the account, and may be spent only after appropriation. Expenditures from the account may be used only for:
 - (a) Refueling projects awarded under this chapter;
- (b) Pilot projects for plug-in hybrids, including grants provided for the electrification program set forth in RCW 43.325.110; and
- (c) Demonstration projects developed with state universities as defined in RCW 28B.10.016 and local governments that result in the design and building of a hydrogen vehicle fueling station.
- (3)(a) The energy recovery act account is created in the state treasury. State and federal funds may be deposited into the account and any loan payments of principal and interest derived from loans made from the energy recovery act account must be deposited into the account. Moneys in the account may be spent only after appropriation.
- (b) Expenditures from the account may be used only for loans, loan guarantees, and grants that encourage the establishment of innovative and sustainable industries for renewable energy and energy efficiency technology, including but not limited to:
- (i) Renewable energy projects or programs that require interim financing to complete project development and implementation;
- (ii) Companies with innovative, near-commercial or commercial, clean energy technology; and
- (iii) Energy efficiency technologies that have a viable repayment stream from reduced utility costs.
- (c) The director shall establish policies and procedures for processing, reviewing, and approving applications for funding under this section. When developing these policies and procedures, the department must consider the clean energy leadership strategy developed under section 2, chapter 318, Laws of 2009.
- (d) The director shall enter into agreements with approved applicants to fix the term and rates of funding provided from this account.
- (e) The policies and procedures of this subsection (3) do not apply to assistance awarded for projects under RCW 43.325.020(3).
- (4) Any state agency receiving funding from the energy freedom account is prohibited from retaining greater than three percent of any funding provided from the energy freedom account for administrative overhead or other deductions not directly associated with conducting the research, projects, or other end products that the funding is designed to produce unless this provision is waived in writing by the director.
- (5) Any university, institute, or other entity that is not a state agency receiving funding from the energy freedom account is prohibited from retaining

greater than fifteen percent of any funding provided from the energy freedom account for administrative overhead or other deductions not directly associated with conducting the research, projects, or other end products that the funding is designed to produce.

- (6) Subsections (2), (4), and (5) of this section do not apply to assistance awarded for projects under RCW 43.325.020(3).
- (7) During the 2013-2015 <u>and 2015-2017</u> fiscal ((biennium)) <u>biennia</u>, the legislature may transfer from the energy freedom account to the state general fund such amounts as reflect the excess fund balance of the account.
- **Sec. 962.** RCW 43.330.250 and 2014 c 112 s 114 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, may authorize expenditures from the account.
- (3) During the 2009-2011 and 2011-2013 fiscal biennia, moneys in the account may also be transferred into the state general fund.
- (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.
 - (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.
- (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.
- (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.

(8) During the 2015-2017 fiscal biennium, the legislature may appropriate moneys from the account to fund economic development programs at the department of commerce.

*Sec. 963. 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 ((2009-2011)) 2015-2017 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. Moneys from the life sciences discovery fund shall not be used for new awards after July 1, 2015.

Sec. 963 is vetoed. See message at end of chapter.

Sec. 964. RCW 46.66.080 and 2013 2nd sp.s. c 4 s 985 are each amended to read as follows:

- (1) The Washington auto theft prevention authority account is created in the state treasury, subject to appropriation. All revenues from the traffic infraction surcharge in RCW 46.63.110(7)(b) and all receipts from gifts, grants, bequests, devises, or other funds from public and private sources to support the activities of the auto theft prevention authority must be deposited into the account. Expenditures from the account may be used only for activities relating to motor vehicle theft, including education, prevention, law enforcement, investigation, prosecution, and confinement. During the 2011-2013 ((and)), 2013-2015, and 2015-2017 fiscal biennia, the legislature may appropriate moneys from the Washington auto theft prevention authority account for criminal justice purposes and community building and may transfer funds to the state general fund such amounts as reflect the excess fund balance of the account.
- (2) The authority shall allocate moneys appropriated from the account to public agencies for the purpose of establishing, maintaining, and supporting programs that are designed to prevent motor vehicle theft, including:
- (a) Financial support to prosecution agencies to increase the effectiveness of motor vehicle theft prosecution;
- (b) Financial support to a unit of local government or a team consisting of units of local governments to increase the effectiveness of motor vehicle theft enforcement;
- (c) Financial support for the procurement of equipment and technologies for use by law enforcement agencies for the purpose of enforcing motor vehicle theft laws; and
- (d) Financial support for programs that are designed to educate and assist the public in the prevention of motor vehicle theft.

- (3) The costs of administration shall not exceed ten percent of the moneys in the account in any one year so that the greatest possible portion of the moneys available to the authority is expended on combating motor vehicle theft.
- (4) Prior to awarding any moneys from the Washington auto theft prevention authority account for motor vehicle theft enforcement, the auto theft prevention authority must verify that the financial award includes sufficient funding to cover proposed activities, which include, but are not limited to: (a) State, municipal, and county offender and juvenile confinement costs; (b) administration costs; (c) law enforcement costs; (d) prosecutor costs; and (e) court costs, with a priority being given to ensuring that sufficient funding is available to cover state, municipal, and county offender and juvenile confinement costs.
- (5) Moneys expended from the Washington auto theft prevention authority account under subsection (2) of this section shall be used to supplement, not supplant, other moneys that are available for motor vehicle theft prevention.
- (6) Grants provided under subsection (2) of this section constitute reimbursement for purposes of RCW 43.135.060(1).

Sec. 965. RCW 61.24.172 and 2014 c 164 s 5 are each amended to read as follows:

The foreclosure fairness account is created in the custody of the state treasurer. All receipts received under RCW 61.24.174 must be deposited into the account. Only the director of the department of commerce or the director's designee may authorize expenditures from the account. Funding to agencies and organizations under this section must be provided by the department through an interagency agreement or other applicable contract instrument. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. Expenditures from the account must be used as follows: (1) No less than seventy-one percent must be used for the purposes of providing housing counseling activities to benefit borrowers, except that this amount may be less than seventy-one percent only if necessary to meet the funding level specified for the office of the attorney general under subsection (2) of this section and the department under subsection (4) of this section; (2) up to six percent, or six hundred fifty-five thousand dollars per biennium, whichever amount is greater, to the office of the attorney general to be used by the consumer protection division to enforce this chapter; (3) up to two percent to the office of civil legal aid to be used for the purpose of contracting with qualified legal aid programs for legal representation of homeowners in matters relating to foreclosure. Funds provided under this subsection (3) must be used to supplement, not supplant, other federal, state, and local funds; (4) up to eighteen percent, or one million four hundred thousand dollars per biennium, whichever amount is greater, to the department to be used for implementation and operation of the foreclosure fairness act; and (5) up to three percent to the department of financial institutions to conduct homeowner prepurchase and postpurchase outreach and education programs as defined in RCW 43.320.150.

The department shall enter into interagency agreements to contract with the Washington state housing finance commission and other appropriate entities to implement the foreclosure fairness act.

<u>During fiscal year 2016, the department of commerce may expend funds</u> from the account to review deed of trust and foreclosure laws.

Sec. 966. RCW 66.08.170 and 2011 1st sp.s. c 50 s 959 are each amended to read as follows:

There shall be a fund, known as the "liquor revolving fund", which shall consist of all license fees, permit fees, penalties, forfeitures, and all other moneys, income, or revenue received by the board. The state treasurer shall be custodian of the fund. All moneys received by the board or any employee thereof, except for change funds and an amount of petty cash as fixed by the board within the authority of law shall be deposited each day in a depository approved by the state treasurer and transferred to the state treasurer to be credited to the liquor revolving fund. During the 2009-2011 fiscal biennium, the legislature may transfer funds from the liquor revolving account [fund] to the state general fund and may direct an additional amount of liquor profits to be distributed to local governments. Neither the transfer of funds nor the additional distribution of liquor profits to local governments during the 2009-2011 fiscal biennium may reduce the excess fund distributions that otherwise would occur under RCW 66.08.190. During the 2011-2013 fiscal biennium, the state treasurer shall transfer from the liquor revolving fund to the state general fund forty-two million five hundred thousand dollars for fiscal year 2012 and forty-two million five hundred thousand dollars for fiscal year 2013. The transfer during the 2011-2013 fiscal biennium may not reduce the excess fund distributions that otherwise would occur under RCW 66.08.190. Sales to licensees are exempt from any liquor price increases that may result from the transfer of funds from the liquor revolving fund to the state general fund during the 2011-2013 fiscal biennium. Disbursements from the revolving fund shall be on authorization of the board or a duly authorized representative thereof. In order to maintain an effective expenditure and revenue control the liquor revolving fund shall be subject in all respects to chapter 43.88 RCW but no appropriation shall be required to permit expenditures and payment of obligations from such fund. During the 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer from the liquor revolving fund to the state general fund such amounts as reflect the excess fund balance of the account.

Sec. 967. RCW 69.50.540 and 2015 3rd sp.s. c ... (2E2SHB 2136) s 206 are each amended to read as follows:

The legislature must annually appropriate moneys in the dedicated marijuana account created in RCW 69.50.530 as follows:

- (1) For the purposes listed in this subsection (1), the legislature must appropriate to the respective agencies amounts sufficient to make the following expenditures on a quarterly basis:
- (a) Beginning July 1, 2015, one hundred twenty-five thousand dollars to the department of social and health services to design and administer the Washington state healthy youth survey, analyze the collected data, and produce reports, in collaboration with the office of the superintendent of public instruction, department of health, department of commerce, family policy council, and state liquor and cannabis board. The survey must be conducted at least every two years and include questions regarding, but not necessarily limited to, academic achievement, age at time of substance use initiation, antisocial behavior of friends, attitudes toward antisocial behavior, attitudes toward substance use, laws and community norms regarding antisocial behavior, family conflict, family management, parental attitudes toward substance use,

peer rewarding of antisocial behavior, perceived risk of substance use, and rebelliousness. Funds disbursed under this subsection may be used to expand administration of the healthy youth survey to student populations attending institutions of higher education in Washington;

- (b) Beginning July 1, 2015, fifty thousand dollars to the department of social and health services for the purpose of contracting with the Washington state institute for public policy to conduct the cost-benefit evaluation and produce the reports described in RCW 69.50.550. This appropriation ends after production of the final report required by RCW 69.50.550;
- (c) Beginning July 1, 2015, five thousand dollars to the University of Washington alcohol and drug abuse institute for the creation, maintenance, and timely updating of web-based public education materials providing medically and scientifically accurate information about the health and safety risks posed by marijuana use;
- (d) An amount not less than one million two hundred fifty thousand dollars to the state liquor and cannabis board for administration of this chapter as appropriated in the omnibus appropriations act;
- (e) Twenty-three thousand seven hundred fifty dollars to the department of enterprise services provided solely for the state building code council established under RCW 19.27.070, to develop and adopt fire and building code provisions related to marijuana processing and extraction facilities. The distribution under this subsection (1)(e) is for fiscal year 2016 only;
- (2) From the amounts in the dedicated marijuana account after appropriation of the amounts identified in subsection (1) of this section, the legislature must appropriate for the purposes listed in this subsection (2) as follows:
- (a)(i) Up to fifteen percent to the department of social and health services division of behavioral health and recovery for the development, implementation, maintenance, and evaluation of programs and practices aimed at the prevention or reduction of maladaptive substance use, substance-use disorder, substance abuse or substance dependence, as these terms are defined in the Diagnostic and Statistical Manual of Mental Disorders, among middle school and high school age students, whether as an explicit goal of a given program or practice or as a consistently corresponding effect of its implementation, mental health services for children and youth, and services for pregnant and parenting women; PROVIDED, That:
- (A) Of the funds appropriated under (a)(i) of this subsection for new programs and new services, at least eighty-five percent must be directed to evidence-based or research-based programs and practices that produce objectively measurable results and, by September 1, 2020, are cost-beneficial; and
- (B) Up to fifteen percent of the funds appropriated under (a)(i) of this subsection for new programs and new services may be directed to proven and tested practices, emerging best practices, or promising practices.
- (ii) In deciding which programs and practices to fund, the secretary of the department of social and health services must consult, at least annually, with the University of Washington's social development research group and the University of Washington's alcohol and drug abuse institute.
- (iii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of twenty-seven million seven hundred eighty-six

thousand dollars, and <u>for</u> each subsequent fiscal year <u>thereafter</u>, the legislature must appropriate a minimum of twenty-five million five hundred thirty-six thousand dollars under this subsection (2)(a);

- (b)(i) Up to ten percent to the department of health for the following, subject to (b)(ii) of this subsection (2):
- (A) Creation, implementation, operation, and management of a marijuana education and public health program that contains the following:
- (I) A marijuana use public health hotline that provides referrals to substance abuse treatment providers, utilizes evidence-based or research-based public health approaches to minimizing the harms associated with marijuana use, and does not solely advocate an abstinence-only approach;
- (II) A grants program for local health departments or other local community agencies that supports development and implementation of coordinated intervention strategies for the prevention and reduction of marijuana use by youth; and
- (III) Media-based education campaigns across television, internet, radio, print, and out-of-home advertising, separately targeting youth and adults, that provide medically and scientifically accurate information about the health and safety risks posed by marijuana use; ((and))
 - (B) The Washington poison control center; and
- (C) During the 2015-2017 fiscal biennium, the funds appropriated under this subsection (2)(b) may be used for prevention activities that target youth and populations with a high incidence of tobacco use.
- (ii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of seven million five hundred thousand dollars and for each subsequent fiscal year thereafter, the legislature must appropriate a minimum of nine million seven hundred fifty thousand dollars under this subsection (2)(b);
- (c)(i) Up to six-tenths of one percent to the University of Washington and four-tenths of one percent to Washington State University for research on the short and long-term effects of marijuana use, to include but not be limited to formal and informal methods for estimating and measuring intoxication and impairment, and for the dissemination of such research.
- (ii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of two hundred seven thousand dollars and for each subsequent fiscal year, the legislature must appropriate a minimum of one million twenty-one thousand dollars to the University of Washington. ((and)) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of one hundred thirty-eight thousand dollars and for each subsequent fiscal year thereafter, a minimum of six hundred eighty-one thousand dollars to Washington State University under this subsection (2)(c);
- (d) Fifty percent to the state basic health plan trust account to be administered by the Washington basic health plan administrator and used as provided under chapter 70.47 RCW;
- (e) Five percent to the Washington state health care authority to be expended exclusively through contracts with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services as provided under RCW 41.05.220;

- (f)(i) Up to three-tenths of one percent to the office of the superintendent of public instruction to fund grants to building bridges programs under chapter 28A.175 RCW.
- (ii) For the fiscal year beginning July 1, 2016, and each subsequent fiscal year, the legislature must appropriate a minimum of five hundred eleven thousand dollars to the office of the superintendent of public instruction under this subsection (2)(f); and
- (g) At the end of each fiscal year, the treasurer must transfer any amounts in the dedicated marijuana account that are not appropriated pursuant to subsection (1) of this section and this subsection (2) into the general fund, except as provided in (g)(i) of this subsection (2).
- (i) Beginning in fiscal year 2018, if marijuana excise tax collections deposited into the general fund in the prior fiscal year exceed twenty-five million dollars, then each fiscal year the legislature must appropriate an amount equal to thirty percent of all marijuana excise taxes deposited into the general fund the prior fiscal year to the treasurer for distribution to counties, cities, and towns as follows:
- (A) Thirty percent must be distributed to counties, cities, and towns where licensed marijuana retailers are physically located. Each jurisdiction must receive a share of the revenue distribution under this subsection (2)(g)(i)(A) based on the proportional share of the total revenues generated in the individual jurisdiction from the taxes collected under RCW 69.50.535, from licensed marijuana retailers physically located in each jurisdiction. For purposes of this subsection (2)(g)(i)(A), one hundred percent of the proportional amount attributed to a retailer physically located in a city or town must be distributed to the city or town.
- (B) Seventy percent must be distributed to counties, cities, and towns ratably on a per capita basis. Counties must receive sixty percent of the distribution, which must be disbursed based on each county's total proportional population. Funds may only be distributed to jurisdictions that do not prohibit the siting of any state licensed marijuana producer, processor, or retailer.
- (ii) Distribution amounts allocated to each county, city, and town must be distributed in four installments by the last day of each fiscal quarter.
- (iii) By September 15th of each year, the state liquor and cannabis board must provide the state treasurer the annual distribution amount, if any, for each county and city as determined in (g)(i) of this subsection (2).
- (iv) The total share of marijuana excise tax revenues distributed to counties and cities in (g)(i) of this subsection (2) may not exceed fifteen million dollars in fiscal years 2018 and 2019 and twenty million dollars per fiscal year thereafter.

For the purposes of this section, "marijuana products" means "useable marijuana," "marijuana concentrates," and "marijuana-infused products" as those terms are defined in RCW 69.50.101.

- **Sec. 968.** RCW 70.96A.350 and 2013 2nd sp.s. c 4 s 990 are each amended to read as follows:
- (1) The criminal justice treatment account is created in the state treasury. Moneys in the account may be expended solely for: (a) Substance abuse treatment and treatment support services for offenders with an addiction or a substance abuse problem that, if not treated, would result in addiction, against whom charges are filed by a prosecuting attorney in Washington state; (b) the

provision of drug and alcohol treatment services and treatment support services for nonviolent offenders within a drug court program; and (c) the administrative and overhead costs associated with the operation of a drug court((; and (d) during the 2011-2013 biennium, the legislature may appropriate up to three million dollars from the account in order to offset reductions in the state general fund for treatment services provided by counties)). This amount is not subject to the requirements of subsections (5) through (9) of this section. During the 2013-2015 fiscal biennium, the legislature may transfer from the criminal justice treatment account to the state general fund amounts as reflect the state savings associated with the implementation of the medicaid expansion of the federal affordable care act. During the 2015-2017 fiscal biennium, the legislature may transfer from the criminal justice treatment account to the state general fund amounts as reflect the state savings associated with the implementation of the medicaid expansion of the federal affordable care act and the excess fund balance of the account. Moneys in the account may be spent only after appropriation.

- (2) For purposes of this section:
- (a) "Treatment" means services that are critical to a participant's successful completion of his or her substance abuse treatment program, but does not include the following services: Housing other than that provided as part of an inpatient substance abuse treatment program, vocational training, and mental health counseling; and
- (b) "Treatment support" means transportation to or from inpatient or outpatient treatment services when no viable alternative exists, and child care services that are necessary to ensure a participant's ability to attend outpatient treatment sessions.
- (3) Revenues to the criminal justice treatment account consist of: (a) Funds transferred to the account pursuant to this section; and (b) any other revenues appropriated to or deposited in the account.
- (4)(a) For the fiscal biennium beginning July 1, 2003, the state treasurer shall transfer eight million nine hundred fifty thousand dollars from the general fund into the criminal justice treatment account, divided into eight equal quarterly payments. For the fiscal year beginning July 1, 2005, and each subsequent fiscal year, the state treasurer shall transfer eight million two hundred fifty thousand dollars from the general fund to the criminal justice treatment account, divided into four equal quarterly payments. For the fiscal year beginning July 1, 2006, and each subsequent fiscal year, the amount transferred shall be increased on an annual basis by the implicit price deflator as published by the federal bureau of labor statistics.
- (b) In each odd-numbered year, the legislature shall appropriate the amount transferred to the criminal justice treatment account in (a) of this subsection to the division of alcohol and substance abuse for the purposes of subsection (5) of this section.
- (5) Moneys appropriated to the division of alcohol and substance abuse from the criminal justice treatment account shall be distributed as specified in this subsection. The department shall serve as the fiscal agent for purposes of distribution. Until July 1, 2004, the department may not use moneys appropriated from the criminal justice treatment account for administrative expenses and shall distribute all amounts appropriated under subsection (4)(b) of

this section in accordance with this subsection. Beginning in July 1, 2004, the department may retain up to three percent of the amount appropriated under subsection (4)(b) of this section for its administrative costs.

- (a) Seventy percent of amounts appropriated to the division from the account shall be distributed to counties pursuant to the distribution formula adopted under this section. The division of alcohol and substance abuse, in consultation with the department of corrections, the Washington state association of counties, the Washington state association of drug court professionals, the superior court judges' association, the Washington association of prosecuting attorneys, representatives of the criminal defense bar, representatives of substance abuse treatment providers, and any other person deemed by the division to be necessary, shall establish a fair and reasonable methodology for distribution to counties of moneys in the criminal justice treatment account. County or regional plans submitted for the expenditure of formula funds must be approved by the panel established in (b) of this subsection.
- (b) Thirty percent of the amounts appropriated to the division from the account shall be distributed as grants for purposes of treating offenders against whom charges are filed by a county prosecuting attorney. The division shall appoint a panel of representatives from the Washington association of prosecuting attorneys, the Washington association of sheriffs and police chiefs, the superior court judges' association, the Washington state association of counties, the Washington defender's association or the Washington association of criminal defense lawyers, the department of corrections, the Washington state association of drug court professionals, substance abuse treatment providers, and the division. The panel shall review county or regional plans for funding under (a) of this subsection and grants approved under this subsection. The panel shall attempt to ensure that treatment as funded by the grants is available to offenders statewide.
- (6) The county alcohol and drug coordinator, county prosecutor, county sheriff, county superior court, a substance abuse treatment provider appointed by the county legislative authority, a member of the criminal defense bar appointed by the county legislative authority, and, in counties with a drug court, a representative of the drug court shall jointly submit a plan, approved by the county legislative authority or authorities, to the panel established in subsection (5)(b) of this section, for disposition of all the funds provided from the criminal justice treatment account within that county. The funds shall be used solely to provide approved alcohol and substance abuse treatment pursuant to RCW 70.96A.090, treatment support services, and for the administrative and overhead costs associated with the operation of a drug court.
- (a) No more than ten percent of the total moneys received under subsections (4) and (5) of this section by a county or group of counties participating in a regional agreement shall be spent on the administrative and overhead costs associated with the operation of a drug court.
- (b) No more than ten percent of the total moneys received under subsections (4) and (5) of this section by a county or group of counties participating in a regional agreement shall be spent for treatment support services.
- (7) Counties are encouraged to consider regional agreements and submit regional plans for the efficient delivery of treatment under this section.

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- (8) Moneys allocated under this section shall be used to supplement, not supplant, other federal, state, and local funds used for substance abuse treatment.
 - (9) Counties must meet the criteria established in RCW 2.28.170(3)(b).
- (10) The authority under this section to use funds from the criminal justice treatment account for the administrative and overhead costs associated with the operation of a drug court expires June 30, 2015.
- **Sec. 969.** RCW 70.105D.070 and 2013 2nd sp.s. c 19 s 7033 and 2013 2nd sp.s. c 4 s 992 are each reenacted and amended to read as follows:
- (1) The state toxics control account and the local toxics control account are hereby created in the state treasury.
- (2)(a) Moneys collected under RCW 82.21.030 must be deposited as follows: Fifty-six percent to the state toxics control account under subsection (3) of this section and forty-four percent to the local toxics control account under subsection (4) of this section. When the cumulative amount of deposits made to the state and local toxics control accounts under this section reaches the limit during a fiscal year as established in (b) of this subsection, the remainder of the moneys collected under RCW 82.21.030 during that fiscal year must be deposited into the environmental legacy stewardship account created in RCW 70.105D.170.
- (b) The limit on distributions of moneys collected under RCW 82.21.030 to the state and local toxics control accounts for the fiscal year beginning July 1, 2013, is one hundred forty million dollars.
- (c) In addition to the funds required under (a) of this subsection, the following moneys must be deposited into the state toxics control account: (i) The costs of remedial actions recovered under this chapter or chapter 70.105A RCW; (ii) penalties collected or recovered under this chapter; and (iii) any other money appropriated or transferred to the account by the legislature.
- (3) Moneys in the state toxics control account must be used only to carry out the purposes of this chapter, including but not limited to the following activities:
- (a) The state's responsibility for hazardous waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW;
- (b) The state's responsibility for solid waste planning, management, regulation, enforcement, technical assistance, and public education required under chapter 70.95 RCW;
 - (c) The hazardous waste clean-up program required under this chapter;
 - (d) State matching funds required under federal cleanup law;
- (e) Financial assistance for local programs in accordance with chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;
- (f) State government programs for the safe reduction, recycling, or disposal of paint and hazardous wastes from households, small businesses, and agriculture:
- (g) Oil and hazardous materials spill prevention, preparedness, training, and response activities;
 - (h) Water and environmental health protection and monitoring programs;
 - (i) Programs authorized under chapter 70.146 RCW;
 - (i) A public participation program;
- (k) Public funding to assist potentially liable persons to pay for the costs of remedial action in compliance with clean-up standards under RCW

- 70.105D.030(2)(e) but only when the amount and terms of such funding are established under a settlement agreement under RCW 70.105D.040(4) and when the director has found that the funding will achieve both: (i) A substantially more expeditious or enhanced cleanup than would otherwise occur; and (ii) the prevention or mitigation of unfair economic hardship;
- (l) Development and demonstration of alternative management technologies designed to carry out the hazardous waste management priorities of RCW 70.105.150:
- (m) State agriculture and health programs for the safe use, reduction, recycling, or disposal of pesticides;
- (n) Storm water pollution control projects and activities that protect or preserve existing remedial actions or prevent hazardous clean-up sites;
- (o) Funding requirements to maintain receipt of federal funds under the federal solid waste disposal act (42 U.S.C. Sec. 6901 et seq.);
- (p) Air quality programs and actions for reducing public exposure to toxic air pollution;
- (q) Public funding to assist prospective purchasers to pay for the costs of remedial action in compliance with clean-up standards under RCW 70.105D.030(2)(e) if:
- (i) The facility is located within a redevelopment opportunity zone designated under RCW 70.105D.150;
- (ii) The amount and terms of the funding are established under a settlement agreement under RCW 70.105D.040(5); and
- (iii) The director has found the funding meets any additional criteria established in rule by the department, will achieve a substantially more expeditious or enhanced cleanup than would otherwise occur, and will provide a public benefit in addition to cleanup commensurate with the scope of the public funding;
- (r) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters;
- (s) Appropriations to the local toxics control account or the environmental legacy stewardship account created in RCW 70.105D.170, if the legislature determines that priorities for spending exceed available funds in those accounts;
- (t) During the 2013-2015 <u>and 2015-2017</u> fiscal ((biennium)) <u>biennia</u>, the department of ecology's water quality, shorelands, environmental assessment, administration, and air quality programs;
- (u) During the 2013-2015 fiscal biennium, actions at the state conservation commission to improve water quality for shellfish; ((and))
- (v) During the 2013-2015 and 2015-2017 fiscal ((biennium)) biennia, actions at the University of Washington for reducing ocean acidification;
- (w) For the 2013-2015 fiscal biennium, moneys in the state toxics control account may be spent on projects in section 3159, chapter 19, Laws of 2013 2nd sp. sess. and for transfer to the local toxics control account; ((and))
- (x) For the 2013-2015 fiscal biennium, moneys in the state toxics control account may be transferred to the radioactive mixed waste account; and
- (y) For the 2015-2017 fiscal biennium, forest practices regulation at the department of natural resources.

- (4)(a) The department shall use moneys deposited in the local toxics control account for grants or local governments for the following purposes in descending order of priority:
- (i) Extended grant agreements entered into under (c)[(e)](i) of this subsection;
- (ii) Remedial actions, including planning for adaptive reuse of properties as provided for under (c)[(e)](iv) of this subsection. The department must prioritize funding of remedial actions at:
- (A) Facilities on the department's hazardous sites list with a high hazard ranking for which there is an approved remedial action work plan or an equivalent document under federal cleanup law;
- (B) Brownfield properties within a redevelopment opportunity zone if the local government is a prospective purchaser of the property and there is a department-approved remedial action work plan or equivalent document under the federal cleanup law;
- (iii) Storm water pollution source projects that: (A) Work in conjunction with a remedial action; (B) protect completed remedial actions against recontamination; or (C) prevent hazardous clean-up sites;
 - (iv) Hazardous waste plans and programs under chapter 70.105 RCW;
- (v) Solid waste plans and programs under chapters 70.95, 70.95C, 70.95I, and 70.105 RCW:
- (vi) Petroleum-based plastic or expanded polystyrene foam debris cleanup activities in fresh or marine waters; and
- (vii) Appropriations to the state toxics control account or the environmental legacy stewardship account created in RCW 70.105D.170, if the legislature determines that priorities for spending exceed available funds in those accounts.
- (b) Funds for plans and programs must be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW.
- (c) During the 2013-2015 fiscal biennium, the local toxics control account may also be used for local government storm water planning and implementation activities.
- (d) During the 2013-2015 fiscal biennium, the legislature may transfer from the local toxics control account to the state general fund, such amounts as reflect the excess fund balance in the account.
- (e) To expedite cleanups throughout the state, the department may use the following strategies when providing grants to local governments under this subsection:
- (i) Enter into an extended grant agreement with a local government conducting remedial actions at a facility where those actions extend over multiple biennia and the total eligible cost of those actions exceeds twenty million dollars. The agreement is subject to the following limitations:
- (A) The initial duration of such an agreement may not exceed ten years. The department may extend the duration of such an agreement upon finding substantial progress has been made on remedial actions at the facility;
- (B) Extended grant agreements may not exceed fifty percent of the total eligible remedial action costs at the facility; and
- (C) The department may not allocate future funding to an extended grant agreement unless the local government has demonstrated to the department that

funds awarded under the agreement during the previous biennium have been substantially expended or contracts have been entered into to substantially expend the funds;

- (ii) Enter into a grant agreement with a local government conducting a remedial action that provides for periodic reimbursement of remedial action costs as they are incurred as established in the agreement;
- (iii) Enter into a grant agreement with a local government prior to it acquiring a property or obtaining necessary access to conduct remedial actions, provided the agreement is conditioned upon the local government acquiring the property or obtaining the access in accordance with a schedule specified in the agreement;
- (iv) Provide integrated planning grants to local governments to fund studies necessary to facilitate remedial actions at brownfield properties and adaptive reuse of properties following remediation. Eligible activities include, but are not limited to: Environmental site assessments; remedial investigations; health assessments; feasibility studies; site planning; community involvement; land use and regulatory analyses; building and infrastructure assessments; economic and fiscal analyses; and any environmental analyses under chapter 43.21C RCW;
- (v) Provide grants to local governments for remedial actions related to areawide groundwater contamination. To receive the funding, the local government does not need to be a potentially liable person or be required to seek reimbursement of grant funds from a potentially liable person;
- (vi) The director may alter grant matching requirements to create incentives for local governments to expedite cleanups when one of the following conditions exists:
- (A) Funding would prevent or mitigate unfair economic hardship imposed by the cleanup liability;
- (B) Funding would create new substantial economic development, public recreational opportunities, or habitat restoration opportunities that would not otherwise occur; or
- (C) Funding would create an opportunity for acquisition and redevelopment of brownfield property under RCW 70.105D.040(5) that would not otherwise occur:
- (vii) When pending grant applications under (c)[(e)](iv) and (v) of this subsection (4) exceed the amount of funds available, designated redevelopment opportunity zones must receive priority for distribution of available funds.
- (d) [(f)] To expedite multiparty clean-up efforts, the department may purchase remedial action cost-cap insurance. For the 2013-2015 fiscal biennium, moneys in the local toxics control account may be spent on projects in sections 3024, 3035, 3036, and 3059, chapter 19, Laws of 2013 2nd sp. sess.
- (5) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.
- (6) No moneys deposited into either the state or local toxics control account may be used for: Natural disasters where there is no hazardous substance contamination; high performance buildings; solid waste incinerator facility feasibility studies, construction, maintenance, or operation; or after January 1, 2010, for projects designed to address the restoration of Puget Sound, funded in a competitive grant process, that are in conflict with the action agenda developed

by the Puget Sound partnership under RCW 90.71.310. However, this subsection does not prevent an appropriation from the state toxics control account to the department of revenue to enforce compliance with the hazardous substance tax imposed in chapter 82.21 RCW.

- (7) Except during the 2011-2013 fiscal biennium, one percent of the moneys collected under RCW 82.21.030 shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-for-profit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation that are not expended at the close of any biennium revert to the state toxics control account.
- (8) The department shall adopt rules for grant or loan issuance and performance. To accelerate both remedial action and economic recovery, the department may expedite the adoption of rules necessary to implement chapter 1, Laws of 2013 2nd sp. sess. using the expedited procedures in RCW 34.05.353. The department shall initiate the award of financial assistance by August 1, 2013. To ensure the adoption of rules will not delay financial assistance, the department may administer the award of financial assistance through interpretive guidance pending the adoption of rules through July 1, 2014.
- (9) Except as provided under subsection (3)(k) and (q) of this section, nothing in chapter 1, Laws of 2013 2nd sp. sess. effects [affects] the ability of a potentially liable person to receive public funding.
- (10) During the 2013-2015 fiscal biennium the local toxics control account may also be used for the centennial clean water program and for storm water grants.
- **Sec. 970.** RCW 74.13.621 and 2013 2nd sp.s. c 4 s 996 are each amended to read as follows:
- (1) Within existing resources, the department shall establish an oversight committee to monitor, guide, and report on kinship care recommendations and implementation activities. The committee shall:
- (a) Draft a kinship care definition that is restricted to persons related by blood, marriage, or adoption, including marriages that have been dissolved, or for a minor defined as an "Indian child" under the federal Indian child welfare act (25 U.S.C. Sec. 1901 et seq.), the definition of "extended family member" under the federal Indian child welfare act, and a set of principles. If the committee concludes that one or more programs or services would be more efficiently and effectively delivered under a different definition of kin, it shall state what definition is needed, and identify the program or service in the report. It shall also provide evidence of how the program or service will be more efficiently and effectively delivered under the different definition. The department shall not adopt rules or policies changing the definition of kin without authorizing legislation;
- (b) Monitor and provide consultation on the implementation of recommendations contained in the 2002 kinship care report, including but not

limited to the recommendations relating to legal and respite care services and resources;

- (c) Partner with nonprofit organizations and private sector businesses to guide a public education awareness campaign; and
 - (d) Assist with developing future recommendations on kinship care issues.
- (2) The department shall consult with the oversight committee on its efforts to better collaborate and coordinate services to benefit kinship care families.
- (3) The oversight committee must consist of a minimum of thirty percent kinship caregivers, who shall represent a diversity of kinship families. Statewide representation with geographic, ethnic, and gender diversity is required. Other members shall include representatives of the department, representatives of relevant state agencies, representatives of the private nonprofit and business sectors, child advocates, representatives of Washington state Indian tribes as defined under the federal Indian welfare act (25 U.S.C. Sec. 1901 et seq.), and representatives of the legal or judicial field. Birth parents, foster parents, and others who have an interest in these issues may also be included.
- (4) To the extent funding is available, the department may reimburse nondepartmental members of the oversight committee for costs incurred in participating in the meetings of the oversight committee.
- (5) The kinship care oversight committee shall update the legislature and governor annually on committee activities, with the first update due by January 1, 2006.
 - (6) This section expires June 30, ((2015)) 2017.
- **Sec. 971.** RCW 77.12.203 and 2014 c 55 s 1 are each amended to read as follows:
- (1) Except as provided in subsection (5) of this section and notwithstanding RCW 84.36.010 or other statutes to the contrary, the director must pay by April 30th of each year on game lands, regardless of acreage, in each county, if requested by an election under RCW 77.12.201, an amount in lieu of real property taxes equal to that amount paid on similar parcels of open space land taxable under chapter 84.34 RCW or the greater of seventy cents per acre per year or the amount paid in 1984 plus an additional amount for control of noxious weeds equal to that which would be paid if such lands were privately owned. This amount may not be assessed or paid on department buildings, structures, facilities, game farms, fish hatcheries, water access sites, tidelands, or public fishing areas.
- (2) "Game lands," as used in this section and RCW 77.12.201, means those tracts, regardless of acreage, owned in fee by the department and used for wildlife habitat and public recreational purposes. All lands purchased for wildlife habitat, public access, or recreation purposes with federal funds in the Snake River drainage basin are considered game lands regardless of acreage.
- (3) This section does not apply to lands transferred after April 23, 1990, to the department from other state agencies.
- (4) The county must distribute the amount received under this section in lieu of real property taxes to all property taxing districts except the state in appropriate tax code areas the same way it would distribute local property taxes from private property. The county must distribute the amount received under this section for weed control to the appropriate weed district.

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(5) For the ((2011-2013 and)) 2013-2015 <u>and 2015-2017</u> fiscal biennia, the director must pay by April 30th of each year on game lands in each county, if requested by an election under RCW 77.12.201, an amount in lieu of real property taxes and must be distributed as follows:

County

Adams
Asotin
Chelan
Columbia
Ferry
Garfield 4,840
Grant
Kittitas
Klickitat
Lincoln
Okanogan
Pend Oreille
Yakima

These amounts may not be assessed or paid on department buildings, structures, facilities, game farms, fish hatcheries, water access sites, tidelands, or public fishing areas.

- **Sec. 972.** RCW 79.64.040 and 2014 c 32 s 4 are each amended to read as follows:
- (1) The board shall determine the amount deemed necessary in order to achieve the purposes of this chapter and shall provide by rule for the deduction of this amount from the moneys received from all leases, sales, contracts, licenses, permits, easements, and rights-of-way issued by the department and affecting state lands and aquatic lands, provided that no deduction shall be made from the proceeds from agricultural college lands.
- (2) Moneys received as deposits from successful bidders, advance payments, and security under RCW 79.15.100, 79.15.080, and 79.11.150 prior to December 1, 1981, which have not been subjected to deduction under this section are not subject to deduction under this section.
- (3) Except as otherwise provided in subsection (5) of this section, the deductions authorized under this section shall not exceed twenty-five percent of the moneys received by the department in connection with any one transaction pertaining to state lands and aquatic lands other than second-class tide and shore lands and the beds of navigable waters, and fifty percent of the moneys received by the department pertaining to second-class tide and shore lands and the beds of navigable waters.

- (4) In the event that the department sells logs using the contract harvesting process described in RCW 79.15.500 through 79.15.530, the moneys received subject to this section are the net proceeds from the contract harvesting sale.
- (5) During the ((2011-2013 and)) 2013-2015 fiscal ((biennia)) biennium, the twenty-five percent limitation on deductions set in subsection (3) of this section may be increased up to thirty percent by the board. During the 2015-2017 fiscal biennium, the board may increase the twenty-five percent limitation up to thirty-two percent.
- **Sec. 973.** RCW 79.64.110 and 2012 c 166 s 6 are each amended to read as follows:
- (1) Any moneys derived from the lease of state forest lands or from the sale of valuable materials, oils, gases, coal, minerals, or fossils from those lands, or the appraised value of these resources when transferred to a public agency under RCW 79.22.060, except as provided in RCW 79.22.060(4), must be distributed as follows:
- (a) For state forest lands acquired through RCW 79.22.040 or by exchange for lands acquired through RCW 79.22.040:
- (i) The expense incurred by the state for administration, reforestation, and protection, not to exceed twenty-five percent, which rate of percentage shall be determined by the board, must be returned to the forest development account created in RCW 79.64.100. <u>During the 2015-2017 fiscal biennium</u>, the board may increase the twenty-five percent limitation up to twenty-seven percent.
- (ii) Any balance remaining must be paid to the county in which the land is located or, for counties participating in a land pool created under RCW 79.22.140, to each participating county proportionate to its contribution of asset value to the land pool as determined by the board. Payments made under this subsection are to be paid, distributed, and prorated, except as otherwise provided in this section, to the various funds in the same manner as general taxes are paid and distributed during the year of payment.
- (iii) Any balance remaining, paid to a county with a population of less than sixteen thousand, must first be applied to the reduction of any indebtedness existing in the current expense fund of the county during the year of payment.
- (iv) With regard to moneys remaining under this subsection (1)(a), within seven working days of receipt of these moneys, the department shall certify to the state treasurer the amounts to be distributed to the counties. The state treasurer shall distribute funds to the counties four times per month, with no more than ten days between each payment date.
- (b) For state forest lands acquired through RCW 79.22.010 or by exchange for lands acquired through RCW 79.22.010, except as provided in RCW 79.64.120:
 - (i) Fifty percent shall be placed in the forest development account.
- (ii) Fifty percent shall be prorated and distributed to the state general fund, to be dedicated for the benefit of the public schools, to the county in which the land is located or, for counties participating in a land pool created under RCW 79.22.140, to each participating county proportionate to its contribution of asset value to the land pool as determined by the board, and according to the relative proportions of tax levies of all taxing districts in the county. The portion to be distributed to the state general fund shall be based on the regular school levy rate under RCW 84.52.065 and the levy rate for any maintenance and operation

special school levies. With regard to the portion to be distributed to the counties, the department shall certify to the state treasurer the amounts to be distributed within seven working days of receipt of the money. The state treasurer shall distribute funds to the counties four times per month, with no more than ten days between each payment date. The money distributed to the county must be paid, distributed, and prorated to the various other funds in the same manner as general taxes are paid and distributed during the year of payment.

- (2) A school district may transfer amounts deposited in its debt service fund pursuant to this section into its capital projects fund as authorized in RCW 28A.320.330.
- **Sec. 974.** RCW 79.105.150 and 2013 2nd sp.s. c 4 s 1002 are each amended to read as follows:
- (1) After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall be used solely for aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to the lands; and for volunteer cooperative fish and game projects. During the 2013-2015 and 2015-2017 fiscal ((biennium)) biennia, the aquatic lands enhancement account may be used to support the shellfish program, the ballast water program, hatcheries, the Puget Sound toxic sampling program and steelhead mortality research at the department of fish and wildlife, the knotweed program at the department of agriculture, actions at the University of Washington for reducing ocean acidification, which may include the creation of a center on ocean acidification, and the Puget SoundCorps program. During the 2013-2015 fiscal biennium, the legislature may transfer from the aquatic lands enhancement account to the geoduck aquaculture research account for research related to shellfish aquaculture. During the 2015-2017 fiscal biennium, the legislature may transfer moneys from the aquatic lands enhancement account to the marine resources stewardship trust account.
- (2) In providing grants for aquatic lands enhancement projects, the recreation and conservation funding board shall:
- (a) Require grant recipients to incorporate the environmental benefits of the project into their grant applications;
- (b) Utilize the statement of environmental benefits, consideration, except as provided in RCW 79.105.610, of whether the applicant is a Puget Sound partner, as defined in RCW 90.71.010, whether a project is referenced in the action agenda developed by the Puget Sound partnership under RCW 90.71.310, and except as otherwise provided in RCW 79.105.630, and effective one calendar year following the development and statewide availability of model evergreen community management plans and ordinances under RCW 35.105.050, whether the applicant is an entity that has been recognized, and what gradation of recognition was received, in the evergreen community recognition program created in RCW 35.105.030 in its prioritization and selection process; and
- (c) Develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the grants.

- (3) To the extent possible, the department should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270.
- (4) The department shall consult with affected interest groups in implementing this section.
- (5) After January 1, 2010, any project designed to address the restoration of Puget Sound may be funded under this chapter only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under RCW 90.71.310.
- **Sec. 975.** RCW 82.08.160 and 2014 c 221 s 923 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), and (5) 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, 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.
- (5) During the 2015-2017 fiscal biennium, the liquor excise tax fund may be appropriated for the local government fiscal note program in the department of commerce. It is the intent of the legislature to continue these policies in the 2017-2019 fiscal biennium.
- **Sec. 976.** RCW 82.08.170 and 2012 2nd sp.s. c 5 s 4 are each amended to read as follows:
- (1) Except as provided in subsections (4) and (5) of this section, during the months of January, April, July, and October of each year, the state treasurer must make the transfers required under subsections (2) and (3) of this section from the liquor excise tax fund and then the apportionment and distribution of all remaining moneys in the liquor excise tax fund to the counties, cities, and towns in the following proportions: (a) Twenty percent of the moneys in the liquor excise tax fund must be divided among and distributed to the counties of the state in accordance with the provisions of RCW 66.08.200; and (b) eighty percent of the moneys in the liquor excise tax fund must be divided among and

distributed to the cities and towns of the state in accordance with the provisions of RCW 66.08.210.

- (2) Each fiscal quarter and prior to making the twenty percent distribution to counties under subsection (1)(a) of this section, the treasurer shall transfer to the liquor revolving fund created in RCW 66.08.170 sufficient moneys to fund the allotments from any legislative appropriations for county research and services as provided under chapter 43.110 RCW.
- (3) During the months of January, April, July, and October of each year, the state treasurer must transfer two million five hundred thousand dollars from the liquor excise tax fund to the state general fund.
- (4) During calendar year 2012, the October distribution under subsection (1) of this section and the July and October transfers under subsections (2) and (3) of this section must not be made. During calendar year 2013, the January, April, and July distributions under subsection (1) of this section and transfers under subsections (2) and (3) of this section must not be made.
- (5) During the 2015-2017 fiscal biennium, the liquor excise tax fund may be appropriated for the local government fiscal note program in the department of commerce. It is the intent of the legislature to continue this policy in the 2017-2019 fiscal biennium.
- **Sec. 977.** RCW 83.100.230 and 2012 1st sp.s. c 10 s 7 are each amended to read as follows:

The education legacy trust account is created in the state treasury. Money in the account may be spent only after appropriation. Expenditures from the account may be used only for support of the common schools, and for expanding access to higher education through funding for new enrollments and financial aid, and other educational improvement efforts. During the 2015-2017 biennium appropriations from the account may be made for support of early learning programs.

Sec. 978. RCW 86.26.007 and 2013 2nd sp.s. c 4 s 1005 are each amended to read as follows:

The flood control assistance account is hereby established in the state treasury. At the beginning of the 2005-2007 fiscal biennium, the state treasurer shall transfer three million dollars from the general fund to the flood control assistance account. Each biennium thereafter the state treasurer shall transfer four million dollars from the general fund to the flood control assistance account, except that during the 2011-2013 fiscal biennium, the state treasurer shall transfer one million dollars from the general fund to the flood control assistance account. Moneys in the flood control assistance account may be spent only after appropriation for purposes specified under this chapter. During the 2013-2015 fiscal biennium and the 2015-2017 fiscal biennium, the legislature may transfer from the flood control assistance account to the state general fund such amounts as reflect the excess fund balance of the account.

- **Sec. 979.** RCW 88.02.650 and 2011 c 171 s 135 are each amended to read as follows:
- (1) General fees for vessel registrations collected by the director must be deposited in the general fund. Except as provided in subsection (2) of this section, any amount above one million one hundred thousand dollars per fiscal year must be allocated to counties by the state treasurer for boating

\$63,428,000

safety/education and law enforcement programs. Eligibility for boating safety/education and law enforcement program allocations is contingent upon approval of the local boating safety program by the state parks and recreation commission. Fund allocation must be based on the numbers of registered vessels by county of moorage. Each benefiting county is responsible for equitable distribution of such allocation to other jurisdictions with approved boating safety programs within the county. Any fees not allocated to counties due to the absence of an approved boating safety program must be allocated to the state parks and recreation commission for awards to local governments to offset law enforcement and boating safety impacts of boaters recreating in jurisdictions other than where registered. Jurisdictions receiving funds under this section shall deposit the funds into an account dedicated solely for supporting the jurisdiction's boating safety programs. These funds may not replace existing local funds used for boating safety programs.

(2) During the 2015-2017 fiscal biennium, if 2015 Engrossed Senate Bill No. 5416 is enacted before August 1, 2015, any amount above one million three hundred fifty thousand dollars per fiscal year must be allocated to counties by the state treasurer for boating safety, education, and law enforcement programs.

<u>NEW SECTION.</u> **Sec. 980.** Section 961 (RCW 43.325.040) of this act expires June 30, 2016.

Sec. 981. 2014 c 221 s 924 (uncodified) is amended to read as follows:

CHILD WELFARE DISPROPORTIONALITY ADVISORY

COMMITTEE EXPIRATION

This act expires June 30, ((2015)) 2017.

Sec. 982. 2014 c 221 s 925 (uncodified) is amended to read as follows:

CHILD WELFARE DISPROPORTIONALITY ADVISORY COMMITTEE EXPIRATION

Section 63 of this act expires June 30, ((2015)) 2017.

PART XI GENERAL GOVERNMENT

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. 1102. 2014 c 221 s 102 (uncodified) is amended to read as follows: **FOR THE SENATE**

General Fund—State Appropriation (FY 2014)	\$21,240,000
General Fund—State Appropriation (FY 2015)	((\$23,216,000))
	\$23,144,000
Motor Vehicle Account—State Appropriation	\$1,514,000
TOTAL APPROPRIATION	((\$45,970,000))
	\$45,898,000

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. 1103. 2014 c 221 s 105 (uncodified) is amended to read as follows:

FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE

General Fund—State Appropriation (FY 2015)	
\$7,971,000 (\$16,029,000)	
TOTAL APPROPRIATION	
\$16,033,000	
Sec. 1104. 2014 c 221 s 107 (uncodified) is amended to read as follows:	
FOR THE STATUTE LAW COMMITTEE	
General Fund—State Appropriation (FY 2014)	
General Fund—State Appropriation (FY 2015)	
\$4,046,000 TOTAL APPROPRIATION	
\$7,942,000	
Sec. 1105. 2014 c 221 s 108 (uncodified) is amended to read as follows:	
FOR THE OFFICE OF LEGISLATIVE SUPPORT SERVICES General Fund—State Appropriation (FY 2014) \$3,558,000	
General Fund—State Appropriation (FY 2015)	
\$3,816,000	
TOTAL APPROPRIATION	
\$7,374,000	
Sec. 1106. 2014 c 221 s 109 (uncodified) is amended to read as follows:	
FOR THE SUPREME COURT	
General Fund—State Appropriation (FY 2014) \$7,028,000	
General Fund—State Appropriation (FY 2015)	
\$6.870,000	
TOTAL APPROPRIATION	
\$13,898,000	
Sec. 1107. 2014 c 221 s 110 (uncodified) is amended to read as follows: FOR THE LAW LIBRARY	
General Fund—State Appropriation (FY 2014) \$1,484,000	
General Fund—State Appropriation (FY 2015)	
\$1.484.000	
TOTAL APPROPRIATION $((\$2,941,000))$	
\$2,968,000	
Sec. 1108. 2014 c 221 s 111 (uncodified) is amended to read as follows:	
FOR THE COMMISSION ON JUDICIAL CONDUCT	
General Fund—State Appropriation (FY 2014)	
General Fund—State Appropriation (FY 2015)	
\$1,006,000	
TOTAL APPROPRIATION	
<u>\$2,077,000</u>	
Sec. 1109. 2014 c 221 s 112 (uncodified) is amended to read as follows: FOR THE COURT OF APPEALS	
General Fund—State Appropriation (FY 2014)	
General Fund—State Appropriation (FY 2015)	
\$15,870,000	
TOTAL APPROPRIATION	
\$31,735,000	

Sec. 1110. 2014 c 221 s 113 (uncodified) is amended to read as follows:

FOR THE	ADMINISTR	ATOR FOR	THE COURTS

General Fund—State Appropriation (FY 2014)	\$51,403,000
General Fund—State Appropriation (FY 2015)	$\dots ((\$50,987,000))$
	\$51,179,000
General Fund—Federal Appropriation	\$2,123,000
General Fund—Private/Local Appropriation	
Judicial Information Systems Account—State	
Appropriation	
	\$53,204,000
Judicial Stabilization Trust Account—State	
Appropriation	\$6,691,000
TOTAL APPROPRIATION	((\$165,378,000))
	<u>\$165,257,000</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.
- (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.
- (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.
- (5) \$108,000 of the general fund—state appropriation for fiscal year 2015 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.
- (6) \$108,000 of the general fund—state appropriation for fiscal year 2015 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.
- (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.

- (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.
- (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

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a fiscal year ends. These reports are deemed informational in nature and are not for the purpose of distributing funds.

- (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.
- (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. 1111. 2014 c 221 s 114 (uncodified) is amended to read as follows: **FOR THE OFFICE OF PUBLIC DEFENSE**

General Fund—State Appropriation (FY 2014)	\$30,912,000
General Fund—State Appropriation (FY 2015)	((\$35,475,000))
	\$35,865,000
Judicial Stabilization Trust Account—State	
Appropriation	\$3,648,000
General Fund—Federal Appropriation	\$304,000
TOTAL APPROPRIATION	((\$70,339,000))
	\$70,729,000

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. 1112. 2014 c 221 s 115 (uncodified) is amended to read as follows:

5cc. 1112. 2014 c 221 5 115 (uncodiffed) is differented to fedd as follows.		
FOR THE OFFICE OF CIVIL LEGAL AID		
General Fund—State Appropriation (FY 2014) \$10,910,00	00	
General Fund—State Appropriation (FY 2015) \$12,105,00	00	
General Fund—Private/Local Appropriation (FY 2015)	<u>)0</u>	
Judicial Stabilization Trust Account—State		
Appropriation	00	
TOTAL APPROPRIATION)))	
\$24,583,00	00	

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. 1113. 2014 c 221 s 116 (uncodified) is amended to read as follows:

Sec. 1113. 2014 C 221 S 110 (uncodiffed) is afficilled to	read as follows.
FOR THE OFFICE OF THE GOVERNOR	
General Fund—State Appropriation (FY 2014)	\$5,565,000
General Fund—State Appropriation (FY 2015)	$\dots ((\$5,225,000))$
	\$5,136,000
Economic Development Strategic Reserve Account—State	
Appropriation	
TOTAL APPROPRIATION	((\$14,790,000))
	<u>\$14,701,000</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.
- ((6)) (5) 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. 1114. 2014 c 221 s 117 (uncodified) is amended to read as follows: **FOR THE LIEUTENANT GOVERNOR**

C 1E 1 C
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
\$655,000
General Fund—Private/Local Appropriation
General Fund—I fivate/ Local Appropriation
TOTAL APPROPRIATION
<u>\$1,399,000</u>
Sec. 1115. 2014 c 221 s 118 (uncodified) is amended to read as follows:
FOR THE PUBLIC DISCLOSURE COMMISSION
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
\$2,042,000
TOTAL APPROPRIATION
\$4,126,000
Sec. 1116. 2014 c 221 s 119 (uncodified) is amended to read as follows:
FOR THE SECRETARY OF STATE
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
\$9,422,000
General Fund—Federal Appropriation
Ceneral Fana Federal Appropriation

General Fund—Private/Local Appropriation)
Public Records Efficiency, Preservation, and Access	
Account—State Appropriation)
<u>\$7,526,000</u>	<u>)</u>
Charitable Organization Education Account—State	
Appropriation)
Local Government Archives Account—State	
Appropriation)
Election Account—Federal Appropriation	
Washington State Heritage Center Account—State	
Appropriation)
\$8,784,000)
TOTAL APPROPRIATION)
\$65,848,000	

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

- (1) \$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

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- (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. 1117. 2014 c 221 s 120 (uncodified) is amended to read as follows:

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. 1118. 2014 c 221 s 122 (uncodified) is amended to read as follows:

FOR THE STATE TREASURER

State Treasurer's Service Account—State

Appropriation	((\$14,872,000))
	\$15.226.000

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.

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.

Sec. 1120. 2014 c 221 s 126 (uncodified) is amended to read as follows: FOR THE CASELOAD FORECAST COUNCIL
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
\$1,273,000 TOTAL APPROPRIATION
\$2,533,000
Sec. 1121. 2014 c 221 s 127 (uncodified) is amended to read as follows: FOR THE DEPARTMENT OF COMMERCE
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
General Fund—Federal Appropriation. \$63,055,000 \$266,732,000 Congret Fund Private/Legal Appropriation \$5,505,000
General Fund—Federal Appropriation\$266,/32,000
General Fund—Private/Local Appropriation
Public Works Assistance Account—State
Appropriation. \$3,013,000 Drinking Water Assistance Administrative
Drinking Water Assistance Administrative
Account—State Appropriation\$442,000
Lead Paint Account—State Appropriation
Building Code Council Account—State Appropriation
Home Security Fund Account—State Appropriation
Affordable Housing for All Account—State
Appropriation. \$11,908,000
Financial Fraud and Identity Theft Crimes
Investigation and Prosecution Account—State
Appropriation
Low-Income Weatherization and Structural
Rehabilitation Assistance Account—State
Appropriation Assistance Account—State Appropriation\$1,879,000
Community and Economic Development Fee Account—State
Appropriation
Washington Housing Trust Account—State
washington nousing trust Account—State
Appropriation. \$18,481,000 Prostitution Prevention and Intervention Account—
State Appropriation
Public Facility Construction Loan Revolving Account—State Appropriation
Account—State Appropriation
Washington Community Technology Opportunity Account—
Private/Local Appropriation
Liquor Revolving Account—State Appropriation
TOTAL APPROPRIATION
\$471,197,000
<u>\$4/1,19/,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 \$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) \$2,515,000 of the general fund—state appropriation for fiscal year 2014 and \$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, leaders, homeless persons, and businesses interested 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 lowincome 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. 1122. 2014 c 221 s 129 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
\$17,401,000
General Fund—Federal Appropriation
General Fund—Private/Local Appropriation
Economic Development Strategic Reserve Account—State
Appropriation\$288,000
Personnel Service Fund—State Appropriation\$8,592,000
Data Processing Revolving Account—State
Appropriation
Higher Education Personnel Services Account—State
Appropriation
Performance Audits of Government Account—State
Appropriation
TOTAL APPROPRIATION((\$91,116,000))
\$90,978,000

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. 1123. 2014 c 221 s 130 (uncodified) is amended to read as follows: FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Account—State

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.

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- (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. 1124. 2014 c 221 s 134 (uncodified) is amended to read as follows:

DEPARTMENT OF RETIREMENT SYSTEMS— **OPERATIONS**

\$50.859.000

Department of Retirement Systems Expense

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. 1125. 2014 c 221 s 135 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF REVENUE	
General Fund—State Appropriation (FY 2014)	\$108,115,000
General Fund—State Appropriation (FY 2015)	((\$105,511,000))
	\$104,861,000
Timber Tax Distribution Account—State	
Appropriation	\$6,083,000
Waste Reduction/Recycling/Litter Control—State	
Appropriation	\$131,000
State Toxics Control Account—State Appropriation	\$92,000
Business License Account—State Appropriation	((\$17,043,000))
	<u>\$16,543,000</u>
Data Processing Revolving Account—State Appropriation.	
TOTAL APPROPRIATION	((\$243,726,000))
	<u>\$242,576,000</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.

\$70,012,000

- (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.

Sec. 1126. 2014 c 221 s 136 (uncodified) is amended to read as follows:

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

- (1) (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

Sec. 1128. 2014 c 221 s 141 (uncodified) is amended to read as follows: FOR THE UTILITIES AND TRANSPORTATION COMMISSION

General Fund—Federal Appropriation	\$150,000
General Fund—Private/Local Appropriation	\$11,217,000
Public Service Revolving Account—State	
Appropriation	\$29,850,000
Pipeline Safety Account—State Appropriation	\$4,407,000
Pipeline Safety Account—Federal Appropriation	$\dots ((\$1,929,000))$
	\$2,649,000
TOTAL APPROPRIATION	((\$47,553,000))
	\$48 273 000

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. 1129. 2014 c 221 s 143 (uncodified) is amended to read as follows: FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION		
General Fund—State Appropriation (FY 2014)		
General Fund—State Appropriation (FY 2015)		
\$2,056,000		
Higher Education Personnel Services Account—State		
Appropriation		
Personnel Service Account—State Appropriation		
TOTAL APPROPRIATION		
<u>\$7,889,000</u>		
Sec. 1130. 2014 c 221 s 146 (uncodified) is amended to read as follows: FOR THE DEPARTMENT OF ENTERPRISE SERVICES		
General Fund—State Appropriation (FY 2014)		
General Fund—State Appropriation (FY 2015)		
\$6,001,000		
Building Code Council Account—State Appropriation		
Data Processing Revolving Account—State		
Appropriation		
Control Company		
Enterprise Services Account—State Appropriation		
TOTAL APPROPRIATION		

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)) \$3,444,000 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 and office of support services. The department shall allocate charges attributable to these agencies among the affected revolving funds. The department shall maintain an interagency agreement with these agencies to establish performance standards, prioritization of preservation and capital improvement projects, and quality assurance provisions for the delivery of services under this subsection. The legislative agencies named in this subsection shall continue to enjoy all of the same rights of occupancy and space use on the capitol campus as historically established.
- (2) In accordance with RCW 46.08.172 and 43.135.055, the department is authorized to increase parking fees in fiscal years 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.

- (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.
- (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.
- (6) \$2,400,000 of the 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, 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.

- (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.
- (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.
- (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.
- (((11))) (10) 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. 1131. 2014 c 221 s 148 (uncodified) is amended to read as follows: FOR THE DEPARTMENT OF ARCHAEOLOGY AND HISTORIC PRESERVATION

PRESERVATION	
General Fund—State Appropriation (FY 2014)	\$1,271,000
General Fund—State Appropriation (FY 2015)	((\$1,258,000))
	\$1,257,000
General Fund—Federal Appropriation	\$1,944,000
General Fund—Private/Local Appropriation	\$14,000
TOTAL APPROPRIATION	((\$4,487,000))
	\$4,486,000

PART XII HUMAN SERVICES

Sec. 1201. 2014 c 221 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)) 2015, unless specifically prohibited by this act, the department may transfer general fund—state appropriations for fiscal year ((2014)) 2015 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)) 2015 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. 1202. 2014 c 221 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) \$297,837,000 \$302,918,000 \$493,075.000 \$2,241,000 Domestic Violence Prevention Account—State Child and Family Reinvestment Account—State Appropriation. ((\$2,647,000))\$1,812,000 \$1,109,864,000

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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 semisecure 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, \$6,332,000 of the general fund—state appropriation for fiscal year 2015, ((\$2,647,000)) \$1,812,000 of the child and family reinvestment account—state

appropriation, and \$9,474,000 of the general fund—federal appropriation, are provided solely for the implementation and operations of the family assessment response program.

- (((16))) (15) \$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))) (16) \$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.))
- (17) \$22,000 of the general fund—state appropriation for fiscal year 2015 and \$6,000 of the general fund—federal appropriation are provided solely for extended foster care services for eligible youth engaged in employment for eighty hours or more per month, pursuant to chapter 122, Laws of 2014.

Sec. 1203. 2014 c 221 s 203 (uncodified) is amended to read as follows: FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES— JUVENILE REHABILITATION PROGRAM

JUVENILE REHABILITATION PROGRAM	
General Fund—State Appropriation (FY 2014)	\$89,505,000
General Fund—State Appropriation (FY 2015)	$\dots ((\$88,778,000))$
	\$88,063,000
General Fund—Federal Appropriation	\$3,464,000
General Fund—Private/Local Appropriation	\$1,978,000
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	$\dots ((\$187,105,000))$
	\$186,390,000

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 evidencebased 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 evidencebased 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. 1204. 2014 c 221 s 204 (uncodified) is amended to read as follows: FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES— MENTAL HEALTH PROGRAM

WENTAL HEALTH I KOOKAW
(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS
General Fund—State Appropriation (FY 2014) \$328,527,000
General Fund—State Appropriation (FY 2015)
<u>\$323,005,000</u>
General Fund—Federal Appropriation
<u>\$770,476,000</u>
General Fund—Private/Local Appropriation
TOTAL APPROPRIATION
\$1,439,872,000

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 \$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 \$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 \$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 \$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 communityor 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 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)	\$137,913,000
General Fund—State Appropriation (FY 2015)	((\$130,754,000))
	<u>\$131,615,000</u>
General Fund—Federal Appropriation	
	<u>\$159,021,000</u>
General Fund—Private/Local Appropriation	
	\$58,012,000
TOTAL APPROPRIATION	((\$486,463,000))
	\$486,561,000

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) \$2,994,000 of the general fund—state appropriation for fiscal year 2014, \$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

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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)	. \$1,612,000
General Fund—State Appropriation (FY 2015)	\$452,000
General Fund—Federal Appropriation	\$6,286,000
TOTAL APPROPRIATION	. \$8,350,000

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 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)	\$5,807,000
General Fund—State Appropriation (FY 2015)	((\$7,418,000))
	\$7,450,000
General Fund—Federal Appropriation	((\$10,030,000))
	\$10,032,000
General Fund—Private/Local Appropriation	\$502,000
TOTAL APPROPRIATION	((\$23,757,000))
	\$23,791,000

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 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. 1205. 2014 c 221 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)	\$444,370,000
General Fund—State Appropriation (FY 2015)	((\$470,359,000))
	<u>\$478,204,000</u>
General Fund—Federal Appropriation	((\$835,386,000))
	<u>\$841,913,000</u>
General Fund—Private/Local Appropriation	\$535,000
TOTAL APPROPRIATION	. ((\$1,750,650,000))
	\$1,765,022,000

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) \$774,000 of the general fund—state appropriation for fiscal year 2015, and \$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.

(2) INSTITUTIONAL SERVICES	
General Fund—State Appropriation (FY 2014)	\$86,005,000
General Fund—State Appropriation (FY 2015)	$\dots ((\$84,806,000))$
	\$87,062,000
General Fund—Federal Appropriation	$\dots ((\$160,310,000))$
	\$161,785,000
General Fund—Private/Local Appropriation	\$23,041,000
TOTAL APPROPRIATION	$\dots ((\$354,162,000))$
	\$357.893.000

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.

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) \$1,403,000
General Fund—State Appropriation (F1 2014)
General Fund—State Appropriation (FY 2015)
General Fund—Federal Appropriation
TOTAL APPROPRIATION
Sec. 1206. 2014 c 221 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) \$860,198,000
General Fund—State Appropriation (FY 2015)
<u>\$889,962,000</u>
General Fund—Federal Appropriation((\$1,898,401,000))
\$1,876,936,000
General Fund—Private/Local Appropriation
Traumatic Brain Injury Account—State Appropriation
Skilled Nursing Facility Safety Net Trust Account—
State Appropriation
TOTAL APPROPRIATION
\$3,774,640,000

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 \$178.82 for fiscal year 2015, including the rate add-ons described in (a), (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 dollarsper-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, 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, 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), (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) \$2,447,000 of the general fund—state appropriation for fiscal year 2015, and \$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 (2SSB 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. 1207. 2014 c 221 s 207 (uncodified) is amended to read as follows:

Administrative Contingency Account—State

\$2,049,018,000

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

(1)(a) \$145,315,000 of the general fund—state appropriation for fiscal year 2014, ((\$146,136,000)) \$130,239,000 of the general fund—state appropriation for fiscal year 2015, \$5,000,000 of the administrative contingency account—state appropriation, and ((\$770,440,000)) \$777,158,000 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) ((\$374,455,000)) \$359,933,000 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) ((\$171,893,000)) \$161,893,000 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) ((\$352,085,000)) \$366,366,000 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) ((\$168,456,900)) \$169,519,000 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 (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 (e) of this subsection.

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 outstationing 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)) is 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. 1208. 2014 c 221 s 208 (uncodified) is amended to read as follows: FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES— ALCOHOL AND SUBSTANCE ABUSE PROGRAM \$57,749,000 \$283,121,000 \$16,401,000 Criminal Justice Treatment Account—State Dedicated Marijuana Account—State Appropriation (FY 2015)..... <u>.....</u>\$5,166,000 \$451,191,000

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) \$141,000 of the general fund—state appropriation 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. 1209. 2014 c 221 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)	\$16,568,000
General Fund—State Appropriation (FY 2015)	((\$11,083,000))
	\$10,960,000
General Fund—Federal Appropriation	\$99,397,000
TOTAL APPROPRIATION	((\$127,048,000))
	\$126,925,000

((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 is provided solely for services and support to individuals who are deaf, hard of hearing, or deaf-blind.))

Sec. 1210. 2014 c 221 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)	\$37,796,000
General Fund—State Appropriation (FY 2015)	$\dots ((\$36,492,000))$
	\$36,510,000
TOTAL APPROPRIATION	$\dots ((\$74,288,000))$
	\$74,306,000

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) \$3,042,000 of the general fund—state appropriation for fiscal year 2014 and \$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. 1211. 2014 c 221 s 211 (uncodified) is amended to read as follows:

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

ADMINISTRATION AND SUPPORTING SERVI	CES PROGRAM
General Fund—State Appropriation (FY 2014)	\$29,773,000
General Fund—State Appropriation (FY 2015)	$\dots \dots ((\$28,313,000))$
	\$28,716,000
General Fund—Federal Appropriation	$\dots \dots ((\$37,067,000))$
	\$37,166,000
General Fund—Private/Local Appropriation	\$654,000
TOTAL APPROPRIATION	((\$95,807,000))
	\$96,309,000

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. 1212. 2014 c 221 s 212 (uncodified) is amended to read as follows: FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—PAYMENTS TO OTHER AGENCIES PROGRAM

*Sec. 1213. 2014 c 221 s 213 (uncodified) is amende FOR THE STATE HEALTH CARE AUTHORITY	ed to read as follows:
General Fund—State Appropriation (FY 2014)	\$2,144,827,000
General Fund—State Appropriation (FY 2015)	
	<i>\$2,051,987,000</i>
General Fund—Federal Appropriation	((\$7,908,155,000))
	\$8,622,072,000
General Fund—Private/Local Appropriation	$\dots ((\$56,400,000))$
	\$63,332,000
Emergency Medical Services and Trauma Care Systems	
Trust Account—State Appropriation	\$15,082,000
Hospital Safety Net Assessment Fund—State	
Appropriation	((\$669,380,000))
	\$618,212,000
Health Benefit Exchange Account—State	<u> </u>
Appropriation	((\$16,580,000))
	\$13,296,000
Dedicated Marijuana Account—State	
Appropriation (FY 2015)	\$2,271,000
State Health Care Authority Administration Account—	
State Appropriation	((\$35,328,000))
	\$36,828,000
Medical Aid Account—State Appropriation	
Medicaid Fraud Penalty Account—State Appropriation	
j rr r	\$21,118,000
TOTAL APPROPRIATION	
	\$13,589,553,000

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

- (1) ((\$1,900,484,000 of the general fund—federal appropriation is provided solely)) Sufficient amounts are appropriated in this section to implement the defined in the social security act, section medicaid expansion as 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(v) 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, \$200,000 of the general fund—state appropriation for fiscal year 2015, and \$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 \$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.
- (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.

(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) onehalf 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. \$11,928,000 of the general fund—state appropriation for fiscal year 2014 and ((\$14,821,000)) \$21,666,000 of the general fund—state appropriation for fiscal year 2015 are provided solely for state grants for the participating hospitals.

- (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.
- (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.
- (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.
- (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).
- (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.
- (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.
- (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.

- (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.
- (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.
- (25) ((\$1,163,000)) $\underline{\$1,075,000}$ of the medicaid fraud penalty account—state appropriation and ((\$9,710,000)) $\underline{\$9,143,000}$ 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.
- (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.
- (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.
- (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.
- (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.

- (30) Sufficient amounts are appropriated in this section for the authority to provide an adult dental benefit beginning January 1, 2014.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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) \$1,528,000 of the general fund—state appropriation for fiscal year 2014, \$2,206,000 of the general fund—state appropriation for fiscal year 2015, and \$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) ((\$16,580,000)) \$1,547,000 of the general fund—state appropriation for fiscal year 2015, \$13,296,000 of the health benefit exchange account—state appropriation, and ((\$3,409,000)) \\$9,703,000 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) 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 feefor-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.

(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)) 2015, may transfer general fund—state appropriations for fiscal year ((2014)) 2015 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.

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

Sec. 1213 is partially vetoed. See message at end of chapter.

Sec. 1214. 2014 c 221 s 214 (uncodified) is amended to read as follows:

\$2,059,000
$\dots ((\$2,027,000))$
<u>\$2,024,000</u>
\$2,171,000
$\dots ((\$6,257,000))$
\$6,254,000

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. 1215. 2014 c 221 s 216 (uncodified) is amended to read as follows:

FOR THE CRIMINAL JUSTICE TRAINING COMMISSION
General Fund—State Appropriation (FY 2014) \$14,535,000
General Fund—State Appropriation (FY 2015)((\$14,062,000))
\$15,093,000
General Fund—Private/Local Appropriation
\$5,134,000
Death Investigations Account—State Appropriation
Municipal Criminal Justice Assistance Account—
State Appropriation
24/7 Sobriety Account—State Appropriation. \$10,000
Washington Auto Theft Prevention Authority Account—
State Appropriation
TOTAL APPROPRIATION
\$43,977,000

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) ((\$408,000)) \$429,000 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. 1216. 2014 c 221 s 217 (uncodified) is amended to	read as follows:
FOR THE DEPARTMENT OF LABOR AND INDUSTRI	ES
General Fund—State Appropriation (FY 2014)	\$17,216,000
General Fund—State Appropriation (FY 2015)	
	\$17,553,000
General Fund—Federal Appropriation	
Asbestos Account—State Appropriation	\$363,000
Electrical License Account—State Appropriation	
Farm Labor Contractor Account—State Appropriation	
Worker and Community Right-to-Know Account—	
State Appropriation	\$897.000
Public Works Administration Account—State	, , , , , , , , , , , , , , , , , , , ,
Appropriation	\$7,202,000
Manufactured Home Installation Training Account—	. , ,
State Appropriation	\$350,000
Accident Account—State Appropriation	\$257,709,000
Accident Account—Federal Appropriation	
Medical Aid Account—State Appropriation	
Medical Aid Account—Federal Appropriation	
Plumbing Certificate Account—State Appropriation	
Pressure Systems Safety Account—State	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Appropriation	\$4.170.000
TOTAL APPROPRIATION	.((\$653.937.000))
	A < 0 0 0 0 0

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) \$94,000 of the accident account—state appropriation and \$17,000 of the medical aid account—state appropriation are provided solely to implement Substitute Senate Bill No. 5123 (farm internship program). ((If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.))
- (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. 1217. 2014 c 221 s 218 (uncodified) is amended to read as follows: **FOR THE DEPARTMENT OF VETERANS AFFAIRS**

(1) HEADQUARTERS
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
\$1,864,000
Charitable, Educational, Penal, and Reformatory
Institutions Account—State Appropriation
TOTAL APPROPRIATION
\$3,869,000
(2) FIELD CEDVICES
(2) FIELD SERVICES
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
<u>\$5,278,000</u>
General Fund—Federal Appropriation
General Fund—Private/Local Appropriation
Veteran Estate Management Account—Private/Local
Appropriation\$1,098,000
TOTAL APPROPRIATION
\$19,689,000

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.

General Fund—State Appropriation (FY 2015)
General Fund—Federal Appropriation
General Fund—Federal Appropriation
General Fund—I fivate/ Local Appropriation \$25,447,000
TOTAL APPROPRIATION
<u>\$95,029,000</u>
Sec. 1218. 2014 c 221 s 219 (uncodified) is amended to read as follows:
FOR THE DEPARTMENT OF HEALTH
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
\$60,402,000
General Fund—Federal Appropriation
<u>\$540,482,000</u>
General Fund—Private/Local Appropriation \$139,011,000 Hespital Data Collection Account State Appropriation \$221,000
Tiospital Data Collection Account—State Appropriation\$221,000
Health Professions Account—State Appropriation \$105,228,000
Aquatic Lands Enhancement Account—State Appropriation\$604,000
Emergency Medical Services and Trauma Care Systems
Trust Account—State Appropriation\$11,194,000
Safe Drinking Water Account—State Appropriation
Drinking Water Assistance Account—Federal
Drinking Water Assistance Account—Federal Appropriation
Waterworks Operator Certification—State
Appropriation
Drinking Water Assistance Administrative Account—
State Appropriation
Site Closure Account—State Appropriation\$158,000
Biotoxin Account—State Appropriation
State Toxics Control Account—State Appropriation
Medical Test Site Licensure Account—State
Appropriation
Youth Tobacco Prevention Account—State Appropriation \$1,512,000
Dedicated Marijuana Account—State Appropriation
(FY 2015)
Public Health Supplemental Account—Private/Local
Appropriation. \$3,236,000
Accident Account—State Appropriation
Medical Aid Account—State Appropriation
Medicaid Fraud Penalty Account—State
Appropriation
TOTAL APPROPRIATION
\$955,081,000
<u>\$755,001,000</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) \$180,000 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 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) \$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.))
- (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.))
- (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.))
- (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.))
- (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.))
- (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.))
- (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.))

- (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.))
- (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 complication experienced during labor to children of mothers with gestational diabetes and to children of mothers with 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).

- (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.

Sec. 1219. 2014 c 221 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)) 2015, 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)) 2015 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.

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	\$53,972,000
Data Processing Revolving Account—State	
Appropriation	\$1,249,000
TOTAL APPROPRIATION	((\$112,009,000))
	\$111.551.000

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 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 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 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 July 15, 2014; and
- (B) Written progress updates shall be provided by December 1, 2014, and by June 1, 2015.

(2) CORRECTIONAL OPERATIONS	
General Fund—State Appropriation (FY 2014)	\$594,207,000
General Fund—State Appropriation (FY 2015)	$\dots ((\$594,052,000))$
	\$599,834,000
General Fund—Federal Appropriation	
	\$2,816,000
Washington Auto Theft Prevention Authority Account—	
State Appropriation	\$7,582,000
Environmental Legacy Stewardship Account—State	
Appropriation	\$105,000
County Criminal Justice Assistance Account—State	
Appropriation	\$390,000
TOTAL APPROPRIATION	((\$1,199,692,000))
	\$1,204,934,000

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 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) \$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) \$23,453,000 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 riskneeds-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.
- (1) \$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)) \$1,011,000 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)	\$148,788,000
General Fund—State Appropriation (FY 2015)((\$	151,715,000))
	\$158,506,000
County Criminal Justice Assistance Account—State	\$2,249,000
Ignition Interlock Device Revolving Account—State	\$2,200,000
General Fund—Federal Appropriation	\$298,000
TOTAL APPROPRIATION	304,952,000))
	<u>\$312,041,000</u>

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) \$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 riskneeds-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.

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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.

\$619,629,000

TOTAL APPROPRIATION	((\$79,867,000))
	\$79,213,000

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. 1220. 2014 c 221 s 221 (uncodified) is amended to read as follows: FOR THE DEPARTMENT OF SERVICES FOR THE BLIND \$2,181,000 General Fund—Federal Appropriation.....\$20,937,000 \$25,403,000 Sec. 1221. 2014 c 221 s 222 (uncodified) is amended to read as follows: FOR THE EMPLOYMENT SECURITY DEPARTMENT \$217,250,000 Unemployment Compensation Administration Account— \$308,961,000 Administrative Contingency Account—State Employment Service Administrative Account—State

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) ((\$23,585,000)) \$19,880,000 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 netimpact/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) ((\$\frac{\(\frac{\initita\}\}}}}}}}}}} \) \rightintition\} \rightition\}} \rightinition\}} \right.} \right. \right.} \right. \right.} \right. \right.} \right. \right.} \right.} \right. \right.} \right.} \right. \right.} \right. \right.} \right. \right.} \right.} \right. \right.} \right.} \right.} \right. \right.} \right. \right.} \right. \right.} \right
- (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.

PART XIII NATURAL RESOURCES

Sec 1301 2014 c 221 s 301 (uncodified) is amended to read as follows:

FOR THE COLUMBIA RIVER GORGE COMMISSION
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
\$445,000
General Fund—Federal Appropriation
General Fund—Private/Local Appropriation
\$871,000
TOTAL APPROPRIATION
\$1,789,000
Sec. 1302. 2014 c 221 s 302 (uncodified) is amended to read as follows:
FOR THE DEPARTMENT OF ECOLOGY
General Fund—State Appropriation (FY 2014) \$25,942,000
General Fund—State Appropriation (FY 2015)
\$25,074,000
General Fund—Federal Appropriation\$102,926,000
General Fund—Private/Local Appropriation
Reclamation Account—State Appropriation
Flood Control Assistance Account—State
Appropriation
State Emergency Water Projects Revolving
Account—State Appropriation\$40,000
Waste Reduction/Recycling/Litter Control—State
Appropriation((\$ 9,689,000)) \$9,714,000
State Drought Preparedness Account—State
Appropriation\$204,000
State and Local Improvements Revolving Account
(Water Supply Facilities)—State Appropriation
Environmental Legacy Stewardship Account—State
Appropriation
Aquatic Algae Control Account—State Appropriation

Appropriation	Water Rights Tracking System Account—State
Site Closure Account—State Appropriation \$553,000 Wood Stove Education and Enforcement Account—State Appropriation \$608,000 Worker and Community Right-to-Know Account—State Appropriation \$1,690,000 Water Rights Processing Account—State Appropriation \$135,000 State Toxics Control Account—State Appropriation \$125,153,000 State Toxics Control Account—Private/Local Appropriation \$976,000 Local Toxics Control Account—State Appropriation \$3,745,000 Water Quality Permit Account—State Appropriation \$41,790,000 Underground Storage Tank Account—State Appropriation \$3,331,000 Biosolids Permit Account—State Appropriation \$2,136,000 Hazardous Waste Assistance Account—State Appropriation \$6,000,000 Air Pollution Control Account—State Appropriation \$6,000,000 Air Pollution Control Account—State Appropriation \$3,124,000 Oil Spill Prevention Account—State Appropriation \$3,124,000 Freshwater Aquatic Weeds Account—State Appropriation \$3,137,000 Freshwater Aquatic Weeds Account—State Appropriation \$1,405,000 Oil Spill Response Account—State Appropriation \$7,076,000 Water Pollution Control Revolving Account—Federal Appropriat	Appropriation
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$\begin{array}{c} \text{Water Pollution Control Revolving Account} & & & & \\ \text{Appropriation.} & & & & & & \\ \text{S2,102,000} \\ \text{Water Pollution Control Revolving Administration} & & & & \\ \text{Account} & & & & & \\ \text{Account} & & & & & \\ \text{State Appropriation} & & & & & \\ \text{Radioactive Mixed Waste Account} & & & & \\ \text{Appropriation.} & & & & & \\ \text{Appropriation.} & & & & & \\ \text{Appropriation.} & & & & & \\ \text{TOTAL APPROPRIATION} & & & & & \\ \end{array}$	
Appropriation. $((\$1,491,000))$ Water Pollution Control Revolving Administration Account—State Appropriation $((\$1,021,000))$ Radioactive Mixed Waste Account—State Appropriation. $((\$14,336,000))$ TOTAL APPROPRIATION $((\$456,861,000))$	
$\begin{array}{c} & & & & & \\ & & & & \\ \text{Water Pollution Control Revolving Administration} \\ \text{Account—State Appropriation} & & & & & \\ \text{Radioactive Mixed Waste Account—State} \\ \text{Appropriation} & & & & & \\ \text{Appropriation} & & & & & \\ \text{TOTAL APPROPRIATION} & & & & & \\ \hline \end{array}$	Appropriation ((\$\frac{\x}{491,000}))
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	\$2.102.000
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	
\$728,000 Radioactive Mixed Waste Account—State ((\$14,336,000)) Appropriation. \$14,346,000 TOTAL APPROPRIATION ((\$456,861,000))	
Radioactive Mixed Waste Account—State	
Appropriation	
\$14,346,000 TOTAL APPROPRIATION	
TOTAL APPROPRIATION	\$14,346,000
	TOTAL APPROPRIATION
<u> </u>	\$457,481,000

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.

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- (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))) (5) \$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))) (6) \$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.
- (((8))) (7) \$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.
- (((9))) (<u>8)</u>(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 budgetneutral 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.
- (((10))) (9) 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))) (10) \$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))) (11) \$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.
- $((\frac{13}{12}))$ (12) 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))) (13) \$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. 1303. 2014 c 221 s 303 (uncodified) is amended to read as follows:

FOR THE STATE PARKS AND RECREATION COMMI	ISSION
General Fund—State Appropriation (FY 2014)	\$4,271,000
General Fund—State Appropriation (FY 2015)	((\$4,415,000))
	\$4,392,000
General Fund—Federal Appropriation	\$6,001,000
Winter Recreation Program Account—State	
Appropriation	\$2,463,000
ORV and Nonhighway Vehicle Account—State	
Appropriation	\$214,000
Snowmobile Account—State Appropriation	\$4,856,000
Aquatic Lands Enhancement Account—State Appropriation	\$363,000
Parks Renewal and Stewardship Account—State	
Appropriation	\$105,159,000
Parks Renewal and Stewardship Account—Private/Local	
Appropriation	\$300,000
Waste Reduction/Recycling/Litter Control Account—	
State Appropriation	
TOTAL APPROPRIATION	((\$129,742,000))
	\$129.719.000

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. 1304. 2014 c 221 s 304 (uncodified) is amended to read as follows: FOR THE RECREATION AND CONSERVATION FUNDING BOARD \$901,000 General Fund—Federal Appropriation......\$3,411,000 Aquatic Lands Enhancement Account—State Appropriation \$480,000 Park Land Trust Revolving Account—State Appropriation......\$34,000 Parks Renewal and Stewardship Account—State Firearms Range Account—State Appropriation.....\$37,000 Recreation Resources Account—State Appropriation \$3,153,000 \$10,000,000

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 economy. A report is due to the appropriate committees of the legislature by January 1, 2015.

	\$4,239,000
Sec. 1306. 2014 c 221 s 306 (uncodified) is amended to read as	follows:
FOR THE CONSERVATION COMMISSION	
General Fund—State Appropriation (FY 2014)	\$6,819,000
General Fund—State Appropriation (FY 2015)((\$4)	5 ,708,000))
	\$6,670,000
General Fund—Federal Appropriation	\$2,301,000
State Toxics Control Account—State Appropriation	\$1,050,000
TOTAL APPROPRIATION((\$16	5 ,878,000))

\$16,840,000

\$4.230,000

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. 1307. 2014 c 221 s 307 (uncodified) is amended to read as follows: FOR THE DEPARTMENT OF FISH AND WILDLIFE
General Fund—State Appropriation (FY 2014) \$30,747,000
General Fund—State Appropriation (FY 2015)
\$30.178.000
General Fund—Federal Appropriation
\$115,147,000
General Fund—Private/Local Appropriation
\$58,322,000
ORV and Nonhighway Vehicle Account—State
Appropriation
Aquatic Lands Enhancement Account—State
Appropriation
\$16,082,000
Recreational Fisheries Enhancement—State
Appropriation
\$2,609,000
Environmental Legacy Stewardship Account—State
Appropriation
Warm Water Game Fish Account—State Appropriation \$2,490,000
Eastern Washington Pheasant Enhancement Account—State
Appropriation\$849,000 Aquatic Invasive Species Enforcement Account—State
Appropriation\$228,000
Appropriation:
Appropriation\$761,000
State Wildlife Account—State Appropriation
\$103 204 000
Special Wildlife Account Federal Appropriation \$2,399,000 Special Wildlife Account Federal Appropriation \$500,000
Special Wildlife Account—Federal Appropriation\$500,000
Special Wildlife Account—Private/Local
Appropriation
Wildlife Rehabilitation Account—State Appropriation
Hydraulic Project Approval Account—State
Hydraulic Project Approval Account—State Appropriation\$966,000
Regional Fisheries Enhancement Salmonid Recovery
Account—Federal Appropriation
Oil Spill Prevention Account—State Appropriation
Oyster Reserve Land Account—State Appropriation
TOTAL APPROPRIATION
<u>\$376,479,000</u>

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

(1) \$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. 1308. 2014 c 221 s 308 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES)
General Fund—State Appropriation (FY 2014)	\$48,655,000
General Fund—State Appropriation (FY 2015)	((\$44,694,000))
	\$44,650,000
General Fund—Federal Appropriation	\$26,937,000
General Fund—Private/Local Appropriation	\$2,372,000
Forest Development Account—State Appropriation	\$50,418,000
ORV and Nonhighway Vehicle Account—State	
Appropriation	\$4,468,000
Surveys and Maps Account—State Appropriation	\$1,667,000

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A
Appropriation\$3,578,000
Snowmobile Account—State Appropriation
Environmental Legacy Stewardship Account—State
Appropriation
Resources Management Cost Account—State
Appropriation\$116,006,000
Surface Mining Reclamation Account—State
Appropriation\$3,951,000
Disaster Response Account—State Appropriation\$5,000,000
Forest and Fish Support Account—State
Appropriation
Aquatic Land Dredged Material Disposal Site
Account—State Appropriation
Natural Resources Conservation Areas Stewardship
Account—State Appropriation
Marine Resources Stewardship Trust Account—State
Appropriation
State Toxics Control Account—State Appropriation
Forest Practices Application Account—State
Appropriation\$1,697,000
Air Pollution Control Account—State Appropriation
NOVA Program Account—State Appropriation
Derelict Vessel Removal Account—State
Appropriation
Agricultural College Trust Management Account—State
Appropriation
TOTAL APPROPRIATION
\$336,094,000

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)) \$1,310,000 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) \$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. 1309. 2014 c 221 s 309 (uncodified) is amended to read as follows: **FOR THE DEPARTMENT OF ACRICULTURE**

TOR THE DETARTMENT OF AGRICULTURE	
General Fund—State Appropriation (FY 2014)	
General Fund—State Appropriation (FY 2015)	
\$15,856,000	
General Fund—Federal Appropriation	
General Fund—Private/Local Appropriation	
Aquatic Lands Enhancement Account—State	
Appropriation	
State Toxics Control Account—State Appropriation	
Water Quality Permit Account—State Appropriation	
TOTAL APPROPRIATION	
\$62,385,000	

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 \$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. 1310. 2014 c 221 s 310 (uncodified) is amended to read as follows: FOR THE WASHINGTON POLLUTION LIABILITY INSURANCE PROGRAM

Sec. 1311. 2014 c 221 s 311 (uncodified) is amended to read as follows: **FOR THE PUGET SOUND PARTNERSHIP**

	\$2,426,000
General Fund—Federal Appropriation	((\$11,582,000))
	<u>\$15,240,000</u>
Aquatic Lands Enhancement Account—State Appropriation .	
State Toxics Control Account—State Appropriation	\$675,000
TOTAL APPROPRIATION	((\$19,002,000))
	\$22,659,000

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.

PART XIV TRANSPORTATION

Sec. 1401. 2014 c 221 s 401 (uncodified) is amended to read as follows:	
FOR THE DEPARTMENT OF LICENSING	
General Fund—State Appropriation (FY 2014)\$1,097,000	
General Fund—State Appropriation (FY 2015)	
\$1,353,000	
Architects' License Account—State Appropriation	
Professional Engineers' Account—State	
Appropriation	
Real Estate Commission Account—State Appropriation\$9,885,000	
Uniform Commercial Code Account—State	
Appropriation	
Real Estate Education Program Account—State	
Appropriation	
Real Estate Appraiser Commission Account—State	
Appropriation	

Business and Professions Account—State	
Appropriation	$\dots ((\$17,390,000))$
••	\$17,410,000
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	$\dots ((\$39,804,000))$
	\$39,823,000

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. 1402. 2014 c 221 s 402 (uncodified) is amended to read as follows: **FOR THE STATE PATROL**

TOR THE STATE TATKOE	
General Fund—State Appropriation (FY 2014)	\$35,561,000
General Fund—State Appropriation (FY 2015)	$\dots ((\$31,337,000))$
	\$31,860,000
General Fund—Federal Appropriation	\$15,860,000
General Fund—Private/Local Appropriation	\$3,019,000
Death Investigations Account—State Appropriation	
	\$9,933,000
Enhanced 911 Account—State Appropriation	
County Criminal Justice Assistance Account—State	
Appropriation	\$3,310,000
Municipal Criminal Justice Assistance Account—State	
Appropriation	\$1,340,000
Fire Service Trust Account—State Appropriation	
Disaster Response Account—State Appropriation	
Fire Service Training Account—State	
Appropriation	$\dots ((\$9,774,000))$
11 1	\$9,778,000
Aquatic Invasive Species Enforcement Account—State	
Appropriation	\$54,000
State Toxics Control Account—State Appropriation	
Fingerprint Identification Account—State	
Appropriation	$\dots ((\$12,184,000))$
11 1	\$12,185,000
Vehicle License Fraud Account—State Appropriation	
TOTAL APPROPRIATION	
	\$135.358.000

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.
- (6) \$750,000 of the general fund—state appropriation is provided solely for security and traffic control assistance to Pierce county for the United States open in June 2015.

PART XV EDUCATION

Sec. 1501. 2014 c 221 s 501 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION

TOR THE SUI EXIMIENDENT OF TUBLIC INSTRUCT	11011
General Fund—State Appropriation (FY 2014)	\$27,273,000
General Fund—State Appropriation (FY 2015)	((\$26,966,000))
	\$26,873,000
General Fund—Federal Appropriation	\$70,931,000
General Fund—Private/Local Appropriation	\$4,003,000
Performance Audits of Government Account—State	
Appropriation	
TOTAL APPROPRIATION	((\$129,373,000))
	\$129,280,000

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

- (1) A maximum of \$16,996,000 of the general fund—state appropriation for fiscal year 2014 and ((\$17,401,000)) \$17,308,000 of the general fund—state appropriation for fiscal year 2015 is for state agency operations.
- (a) \$8,961,000 of the general fund—state appropriation for fiscal year 2014 and ((\$8,639,000)) \$8,546,000 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.
- (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 \$1,034,000 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 \$1,477,000 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;

- (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 \$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 district implementation of comprehensive guidance and planning programs consistent with RCW 28A.600.045.

Sec. 1502. 2014 c 221 s 502 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR GENERAL APPORTIONMENT

General Fund—State Appropriation (FY 2014)	\$5,386,820,000
General Fund—State Appropriation (FY 2015)	((\$5,599,423,000))
	\$5,629,941,000

Education Legacy Trust Account—State

\$11,368,324,000

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.

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- (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
	2011.130.200
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) Advanced placement 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 full-time equivalent enrollment:

	2013-14 School	2014-15 School
	Year	Year
Career and	2.02	2.72
Technical		
Education		
Skill Center	2.36	3.06

(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:

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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

(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 0.90 percent in the 2014-15 school year for career and technical

education students, and 21.57 percent in the 2013-14 school year and 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	\$89.13
Utilities and Insurance	\$210.46	\$242.17
Curriculum and Textbooks	\$83.17	\$95.69
Other Supplies and Library Materials	\$176.56	\$203.16
Instructional Professional Development for Certificated and Classified Staff	\$12.86	\$14.80
Facilities Maintenance	\$104.27	\$119.97
Security and Central Office	\$72.24	\$83.12

TOTAL BASIC EDUCATION MSOC/STUDENT FTE

\$737.02

\$848.04

- (b) Students in approved skill center programs generate per student FTE MSOC allocations of \$1,244.25 for the 2013-14 school year and \$1,260.41 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 \$1,417.48 for the 2014-15 school year.
- (d) Students in grades 9-12 generate per student FTE MSOC allocations in addition to the allocation provided in (a) of this subsection at the following rate:

	2014-15
	School Year
Technology	\$36.35
Curriculum and Textbooks	\$39.02
Other Supplies and Library Materials	\$82.84
Instructional Professional Development for	
Certificated and Classified Staff	\$6.04
TOTAL GRADE 9-12 BASIC EDUCATION	
MSOC/STUDENT FTE	\$164.25

(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

(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 \$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 \$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.

Sec. 1503. 2014 c 221 s 503 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION

General Fund—State Appropriation (FY 2014)	\$365,048,000
General Fund—State Appropriation (FY 2015)	((\$429,312,000))
	\$445,371,000
TOTAL APPROPRIATION	((\$794,360,000))
	\$810,419,000

- (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.
- (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.

- (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.
- (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.
- (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.
- (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.
- (8) The office of the superintendent of public instruction shall annually disburse payments for bus depreciation in August.

Sec. 1504. 2014 c 221 s 504 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL FOOD SERVICE PROGRAMS

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	((\$501,326,000))
	\$513,326,000
TOTAL APPROPRIATION	((\$515,548,000))
	\$527,548,000

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. 1505. 2014 c 221 s 505 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SPECIAL EDUCATION PROGRAMS

General Fund—State Appropriation (FY 2014)	\$693,894,000
General Fund—State Appropriation (FY 2015)	((\$742,343,000))
	<u>\$735,931,000</u>
General Fund—Federal Appropriation	\$476,122,000
Education Legacy Trust Account—State Appropriation	\$46,151,000
TOTAL APPROPRIATION	((\$1,958,510,000))
	\$1,952,098,000

- (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 provided under section 502 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) \$17,578,000 of the general fund—state appropriation for fiscal year 2014, ((\$29,948,000)) \$19,949,000 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 of the general fund—federal appropriation shall be expended to support a special education ombudsman program within the office of superintendent of public instruction.

Sec. 1506. 2014 c 221 s 506 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE DISTRICTS

General Fund—State Appropriation (FY	2014)
General Fund—State Appropriation (FY	2015)
	\$8,105,000
TOTAL APPROPRIATION	((\$16,245,000))
	\$16,226,000

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. 1507. 2014 c 221 s 507 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT ASSISTANCE

General Fund—State Appropriation (FY 2014)	\$311,882,000
General Fund—State Appropriation (FY 2015)	((\$340,444,000))
	\$344,905,000
TOTAL APPROPRIATION	((\$652,326,000))
	\$656.787.000

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. 1508. 2014 c 221 s 508 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL EDUCATION PROGRAMS

INSTITUTIONAL EDUCATION PROGRAMS	
General Fund—State Appropriation (FY 2014)	\$13,968,000
General Fund—State Appropriation (FY 2015)	((\$13,964,000))
	\$13,631,000
TOTAL APPROPRIATION	((\$27,932,000))
	\$27,599,000

- (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) \$569,000 of the general fund—state appropriation for fiscal year 2014 and ((\$569,000)) \$685,000 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. 1509. 2014 c 221 s 509 (uncodified) is amended to read as follows:

\$19,346,000

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

- (1) Each general fund fiscal year appropriation includes such funds as are necessary to complete the school year ending in the fiscal year and for prior fiscal year adjustments.
- (2)(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. 1510. 2014 c 221 s 511 (uncodified) is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—

 General Fund—State Appropriation (FY 2015)
 .((\$101,537,900))

 \$118,375,000

 General Fund—Federal Appropriation
 .((\$217,806,900))

 \$220,106,000

 General Fund—Private/Local Appropriation
 \$4,002,000

 Education Legacy Trust Account—State Appropriation
 \$1,597,000

 TOTAL APPROPRIATION
 .((\$439,282,900))

\$458,420,000

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

(1)(a) \$38,031,000 of the general fund—state appropriation for fiscal year 2014, ((\$22,806,000)) \$39,644,000 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)) \$18,168,000 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) \$44,879,000 of the general fund—state appropriation for fiscal year 2014 and \$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 prorated 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 \$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 \$5,027,000 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) \$1,827,000 of the general fund—state appropriation for fiscal year 2014 and \$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 (biliteracy seal). If the bill is not enacted by June 30, 2014, the amount provided in this subsection shall lapse.

Sec. 1511. 2014 c 221 s 512 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL BILINGUAL PROGRAMS

I RANSI I IONAL BILINGUAL PROGRAMS	
General Fund—State Appropriation (FY 2014)	\$97,796,000
General Fund—State Appropriation (FY 2015)	((\$110,084,000))
	<u>\$109,788,000</u>
General Fund—Federal Appropriation	
TOTAL APPROPRIATION	((\$279,996,000))
	\$279 700 000

- (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

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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: 1.70 percent for school year 2013-14 and ((1.53)) 1.52 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. 1512. 2014 c 221 s 513 (uncodified) is amended to read as follows: FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING ASSISTANCE PROGRAM

General Fund—State Appropriation (FY 2014)	\$194,728,000
General Fund—State Appropriation (FY 2015)	((\$214,877,000))
	\$217,428,000
General Fund—Federal Appropriation	
TOTAL APPROPRIATION	((\$860,139,000))
	\$862,690,000

- (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. 1513. 2014 c 221 s 514 (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)) 2015, 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)) 2015 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.

Sec. 1514. 2014 c 221 s 515 (uncodified) is amended to read as follows:	
FOR THE WASHINGTON STATE CHARTER SCHOOL COMMISSION	N
General Fund—State Appropriation (FY 2014)	00
General Fund—State Appropriation (FY 2015))))
<u>\$559,00</u>	<u> 00</u>
Charter School Oversight Account—State Appropriation ((\$17,000))))
<u>\$29,00</u>	00
TOTAL APPROPRIATION)))
\$1,054,00	00

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.

PART XVI HIGHER EDUCATION

Sec. 1601. 2014 c 221 s 604 (uncodified) is amended to read as follows:
FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL
COLLEGES
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
\$552,642,000
Community/Technical College Capital Projects
Account—State Appropriation
Education Legacy Trust Account—State
Appropriation
TOTAL APPROPRIATION
\$1,235,066,000

- (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.
- (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.
- (12) The state board for community and technical colleges shall not use funds appropriated in this section to support intercollegiate athletics programs.

Sec. 1602. 2014 c 221 s 605 (uncodified) is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON
General Fund—State Appropriation (FY 2014) \$247,063,000
General Fund—State Appropriation (FY 2015)
\$237,607,000
Geoduck Aquaculture Research Account—State
Appropriation\$300,000
Education Legacy Trust Account—State Appropriation \$13,998,000
Economic Development Strategic Reserve Account—
State Appropriation
Biotoxin Account—State Appropriation\$390,000
Accident Account—State Appropriation
Medical Aid Account—State Appropriation
Aquatic Land Enhancement Account—State Appropriation \$700,000
State Toxics Control Account—State Appropriation
TOTAL APPROPRIATION
<u>\$517,408,000</u>

- (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.
- (10) The University of Washington shall not use funds appropriated in this section to support intercollegiate athletics programs.

Sec. 1603. 2014 c 221 s 606 (uncodified) is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY	
General Fund—State Appropriation (FY 2014)	\$156,867,000
General Fund—State Appropriation (FY 2015)	((\$154,106,000))
	<u>\$153,044,000</u>
Education Legacy Trust Account—State Appropriation	\$33,995,000
TOTAL APPROPRIATION	((\$344,968,000))
	<u>\$343,906,000</u>

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.
- (7) Washington State University shall not use funds appropriated in this section to support intercollegiate athletic programs.

Sec. 1604. 2014 c 221 s 607 (uncodified) is amended to read as follows:

FOR EASTERN WASHINGTON UNIVERSITY	
General Fund—State Appropriation (FY 2014)	\$31,386,000
General Fund—State Appropriation (FY 2015)	((\$31,808,000))
	\$31,525,000
Education Legacy Trust Account—State	
Appropriation	\$14,941,000
TOTAL APPROPRIATION	$\dots ((\$78,135,000))$
	\$77,852,000

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. 1605. 2014 c 221 s 608 (uncodified) is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY	
General Fund—State Appropriation (FY 2014)	\$29,733,000
General Fund—State Appropriation (FY 2015)	.((\$29,487,000))
	\$29,239,000
Education Legacy Trust Account—State Appropriation	\$19,076,000
TOTAL APPROPRIATION	.((\$78,296,000))
	\$78,048,000

- (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. 1606. 2014 c 221 s 609 (uncodified) is amended to read as follows: FOR THE EVERGREEN STATE COLLEGE

General Fund—State Appropriation (FY 2014)	\$18,351,000
General Fund—State Appropriation (FY 2015)	((\$17,371,000))
	\$17,230,000
Education Legacy Trust Account—State Appropriation	\$5,450,000
TOTAL APPROPRIATION	((\$41,172,000))
	\$41,031,000

- (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.
- (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.
- (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.

- (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. 1607. 2014 c 221 s 610 (uncodified) is amended to read as follows: FOR WESTERN WASHINGTON UNIVERSITY

TOR WESTERN WASHINGTON UNIVERSITY	
General Fund—State Appropriation (FY 2014) \$44,521,000	0
General Fund—State Appropriation (FY 2015))
\$43,005,000	0
Education Legacy Trust Account—State	
Appropriation	0
TOTAL APPROPRIATION)
\$100.421.000	0

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. 1608. 2014 c 221 s 611 (uncodified) is amended to read as follows:

COUNCIL—POLICY FOR THE STUDENT **ACHIEVEMENT** COORDINATION AND ADMINISTRATION

\$5,258,000 \$15,389,000

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.

- (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 \$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. 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) ((\$48,297,000)) \$47,206,000 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. 1610. 2014 c 221 s 614 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF EARLY LEARNING

	\$53,114,000
General Fund—Federal Appropriation((\$295,177,000)
	\$298,405,000
General Fund—Private/Local Appropriation	\$50,000
Opportunity Pathways Account—State Appropriation	\$80,000,000
Home Visiting Services Account—State Appropriation	\$2,868,000
Home Visiting Services Account—Federal Appropriation	\$22,753,000
Children's Trust Account—State Appropriation	\$180,000
TOTAL APPROPRIATION	(\$483,969,000))
	\$487,975,000

- (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) \$1,194,000 of the general fund—state appropriation for fiscal year 2014, \$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) \$4,438,000 of the general fund—state appropriation for fiscal year 2014, \$4,674,000 of the general fund—state appropriation for fiscal year 2015, and \$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, \$1,916,000 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 \$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) \$221,000 of the general fund—state appropriation for fiscal year 2014 and \$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. 1611. 2014 c 221 s 615 (uncodified) is amended to read as follows:

FOR THE STATE SCHOOL FOR THE BLIND	
General Fund—State Appropriation (FY 2014)	\$5,975,000
General Fund—State Appropriation (FY 2015)	$\dots ((\$5,752,000))$
	<u>\$5,853,000</u>
General Fund—Private/Local Appropriation	\$5,000
TOTAL APPROPRIATION	$\dots ((\$11,732,000))$
	\$11,833,000

Sec. 1612. 2014 c 221 s 616 (uncodified) is amended to read as follows: FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD
DEAFNESS AND HEARING LOSS
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
<u>\$8,881,000</u>
TOTAL APPROPRIATION
\$17,639,000
Sec. 1613. 2014 c 221 s 617 (uncodified) is amended to read as follows:
FOR THE WASHINGTON STATE ARTS COMMISSION
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
\$1,105,000
General Fund—Federal Appropriation
General Fund—Private/Local Appropriation\$29,000
TOTAL APPROPRIATION
\$4.298,000
Sec. 1614. 2014 c 221 s 619 (uncodified) is amended to read as follows:
FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
\$1,557,000
TOTAL APPROPRIATION
\$3,181,000

PART XVII SPECIAL APPROPRIATIONS

Sec. 1701. 2014 c 221 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)
General Fund—State Appropriation (FY 2015)
\$958,648,000
State Building Construction Account—State
Appropriation
<u>\$5,164,000</u>
Columbia River Basin Water Supply Development
Account—State Appropriation
State Taxable Building Construction Account—State
Appropriation
\$1,621,000
Debt-Limit Reimbursable Bond Retirement Account—State
Appropriation
Hood Canal Aquatic Rehabilitation Bond Account—State
Appropriation\$1,000
Columbia River Basin Taxable Bond Water Supply

Development Account—State Appropriation	\$182,000
Debt-Limit General Fund Bond Retirement Account—State	
Appropriation	\$236,000,000
TOTAL APPROPRIATION	((\$1,817,136,000))
	\$2,034,549,000

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. 1702. 2014 c 221 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) \$1,401,000
General Fund—State Appropriation (FY 2015)
State Building Construction Account—State
Appropriation((\$2,156,000))
\$1,156,000
Columbia River Basin Water Supply Development
Account—State Appropriation
State Taxable Building Construction Account—State
Appropriation
Hood Canal Aquatic Rehabilitation Bond Account—State
Appropriation
\$2,000
Columbia River Basin Taxable Bond Water Supply
Development Account—State Appropriation
TOTAL APPROPRIATION
\$4,368,00 <u>0</u>
See 1702 2014 2221 2707 (see 24:5 et) is amounted to made a fallower.

Sec. 1703. 2014 c 221 s 706 (uncodified) is amended to read as follows: FOR THE STATE TREASURER—COUNTY PUBLIC HEALTH ASSISTANCE

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

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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)) <u>\$297,761</u>	((\$595,523)) <u>\$595,522</u>
Grays Harbor Health Department	\$335,666	\$335,666	\$671,332
Island County Health Department	\$255,224	((\$225,224)) <u>\$255,224</u>	\$510,448
Jefferson County Health and Human Services	\$184,080	\$184,080	\$368,160
Seattle-King County Department of Public Health	\$10,558,598	\$12,685,521	\$23,244,119
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	\$126,569	\$2,380,062
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	((\$5,574,636)) <u>\$5,754,636</u>
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	\$93,181	\$186,362
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)) <u>\$36,386,000</u>	((\$72,772,002)) <u>\$72,772,001</u>

Sec. 1704. 2013 2nd sp.s. c 4 s 712 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—CONTRIBUTIONS TO RETIREMENT SYSTEMS

The appropriations in this section are subject to the following conditions and limitations: The appropriations for the law enforcement officers' and firefighters' retirement system shall be made on a monthly basis consistent with chapter 41.45 RCW, and the appropriations for the judges and judicial retirement systems shall be made on a quarterly basis consistent with chapters 2.10 and 2.12 RCW.

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(1) There is appropriated for state contributions to the law enforcement
officers' and firefighters' retirement system:
General Fund—State Appropriation (FY 2014)
General Fund—State Appropriation (FY 2015)
\$59,600,000
TOTAL APPROPRIATION
\$118,300,000
<u>\$110,500,000</u>
(2) There is appropriated for contributions to the judicial retirement system:
General Fund—State Appropriation (FY 2014) \$10,600,000
General Fund—State Appropriation (FY 2015) \$10,600,000
TOTAL APPROPRIATION\$21,200,000
Sec. 1705. 2014 c 221 s 708 (uncodified) is amended to read as follows:
FOR THE OFFICE OF FINANCIAL MANAGEMENT—
EXTRAORDINARY CRIMINAL JUSTICE COSTS
General Fund—State Appropriation (((FY 2014))) (<u>FY 2015)</u> \$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.
Sec. 1706. 2014 c 221 s 709 (uncodified) is amended 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 or fiscal year 2015,
unless otherwise indicated, for relief of various individuals, firms, and
corporations for sundry claims.
(1) 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))) (<u>a)</u> Tony M. Noble, claim number 99970075
(((2))) (<u>b)</u> Patrick Earl, claim number 99970076
(((3))) (c) Stephen J. Felice, claim number 99970076
(((4))) (<u>d)</u> Michael Felice, claim number 99970076
(((5))) (e) Noe Angel Aranda Hernandez, claim number
99970077
$((\frac{(6)}{0}))$ (f) Anderson Durham, claim number 99970071\$11,000
(((7))) (g) Chase Balzer, claim number 99970078
(((8))) (<u>h)</u> Kent Wescott, claim1 number 99970079
(((9))) (<u>i)</u> Tommy Villanueva, claim number 99970080 \$70,099
(j) Alonzo French, claim number 99970081 \$11,065
(k) Jason Hansen, claim number 99970083. \$12,352
(1) Chad O'Neill, claim number 99970085\$109,414
(m) John Hall, claim number 99970086
(n) Gail Gerlach, claim number 99970087
(o) Mathew Hope, claim number 9997090
(p) Charles Thomas, claim number 99970092\$640
(q) Abram Bergamo, claim number 99970093

(r) Gary Jeudy, claim number 99970095	\$16,446
(s) Brian Jackson, claim number 99970100	\$8,500
(t) Casey Balch, claim number 99970097	\$111,095
(u) Douglas McRae, claim number 99970099	\$101,899
(v) Gregory Dussault, claim number 99970101	\$11,225
(w) Alyssa Gipson, claim number 99970103	\$3,500
(x) David A. Barrett, claim number 99970104	\$7,673
(2) These appropriations are to be disbursed on vouchers	s approved by the
director of the department of enterprise services, except as ot	
for payment of compensation for wrongful convictions p	ursuant to RCW
4.100.060, as follows:	
(a) Ryan Allen, claim number 99970070	
(b) Michael Washington, claim number 99970084	\$11,243
(c) Brandon Olebar, claim number 99970089	\$546,691
(d) Thomas Kennedy, claim number 99970088	\$523,943
(e) James Anderson, claim number 99970096	
(f) Ross Sorrels, aka Ross MacKae, claim number	
99970102	\$411,174
See 1707 2014 a 221 a 710 (unaddified) is amended to a	

Sec. 1707. 2014 c 221 s 710 (uncodified) is amended to read as follows: FOR THE OFFICE OF FINANCIAL MANAGEMENT—COMMON SCHOOL CONSTRUCTION ACCOUNT

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)) 2014, for an interest payment pursuant to RCW 90.38.130.

Sec. 1708. 2014 c 221 s 711 (uncodified) is amended 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)) 2014, for an interest payment pursuant to RCW 90.38.130.

Sec. 1709. 2013 2nd sp.s. c 4 s 718 (uncodified) is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—AGENCY EFFICIENCIES

General Fund—State Appropriation (FY 2014)	. (\$2,500,000)
((General Fund State Appropriation (FY 2015)	. (\$2,500,000)
TOTAL APPROPRIATION((\$5,000,000)))

The appropriation((s)) in this section ((are)) is subject to the following conditions and limitations: The office of financial management shall reduce allotments for all agencies by \$2,500,000 from fiscal year 2014 general fund—state appropriations ((and \$2,500,000 from fiscal year 2015 general fund—state appropriations)) in this act to reflect (1) available fund balances in dedicated

revolving funds used for central services to state agencies and (2) more efficient delivery of consolidated central services to state agencies.

<u>NEW SECTION.</u> **Sec. 1710. 2014 LEAN MANAGEMENT** 2014 c 221 s 707 (uncodified) is repealed.

PART XVIII OTHER TRANSFERS AND APPROPRIATIONS

Sec. 1801. 2014 c 221 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
General Fund Appropriation for public utility \$8,804,000
district excise tax distributions
\$54,766,000
General Fund Appropriation for prosecuting
attorney distributions \$5.985.000
attorney distributions
and education distributions
General Fund Appropriation for other tax
distributions
\$80,000
General Fund Appropriation for habitat conservation
program distributions\$3,154,000
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
Timber Tax Distribution Account Appropriation for
distribution to "timber" counties
County Criminal Justice Assistance Appropriation.
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
\$79,127,000
Municipal Criminal Justice Assistance
Appropriation
\$30,758,000
City-County Assistance Account Appropriation for

\$2,300,000

local government financial assistance	
distribution	$\dots ((\$19,584,000))$
	\$22,766,00 <u>0</u>
Liquor Excise Tax Account Appropriation for liquor	
excise tax distribution	((\$23.906.000))
CACIDO MA distribution	\$24,900,000
Streamlined Sales and Use Tax Mitigation Account	<u>\$24,700,000</u>
Appropriation for distribution to local taxing	
jurisdictions to mitigate the unintended revenue	
redistribution effect of the sourcing law	
changes	\$49,420,000
Columbia River Water Delivery Account Appropriation	
for the Confederated Tribes of the Colville	
Reservation	\$7,752,000
Columbia River Water Delivery Account Appropriation	. , ,
for the Spokane Tribe of Indians	\$5 011 000
Liquor Revolving Account Appropriation for liquor	
profits distribution	\$08 876 000
	((\$460.520.000))
TOTAL APPROPRIATION	
	<u>\$494,809,000</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.

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. 1803. 2014 c 221 s 803 (uncodified) is amended to read as follows: FOR THE STATE TREASURER—MUNICIPAL CRIMINAL JUSTICE ASSISTANCE ACCOUNT

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. 1804. 2014 c 221 s 804 (uncodified) is amended to read as follows: FOR THE STATE TREASURER—FEDERAL REVENUES FOR DISTRIBUTION

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	$\dots \dots ((\$24,446,000))$
	\$40,000,000
TOTAL APPROPRIATION	$\dots \dots ((\$26,218,000))$
	\$41,772,000

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. 1805. 2014 c 221 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
Drinking Water Assistance Account: For transfer to
the drinking water assistance repayment
account((\$32,000,000))
\$17,426,000
General Fund: For transfer to the streamlined sales
and use tax account, \$24,436,000 for fiscal
year 2014 and \$24,984,000 for fiscal year 2015 \$49,420,000
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
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

((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)) 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
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
General Fund: For transfer to the child and family
reinvestment account, \$1,656,000 for
fiscal year 2014 and ((\$992,000)) <u>\$156,000</u>
for fiscal year 2015
\$1,812,000
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
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
\$180,000,000
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
general fund from the amounts deposited in the
account that are attributable to the annual
strategic contribution payment received in
fiscal year 2015
((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.))
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
Dedicated Marijuana Fund Account: For distribution
to the basic health plan trust account in an
-

amount not to exceed the amount determined pursuant to RCW 69.50.540 for fiscal year 2015

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 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.

Aquatic Lands Enhancement Account: For transfer to

general fund, \$733,000 for fiscal year 2014 and
\$733,000 for fiscal year 2015 \$1,466,00
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)
\$4,069,00
Home Security Fund Account: For transfer to the
transitional housing operating and rent account
Professional Engineers' Account: For transfer to the
state general fund, \$956,000 for fiscal year
2014 and \$957,000 for fiscal year 2015 \$1,913,00
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 \$3,400,00
Business and Professions Account: For transfer to the
state general fund, \$2,838,000 for fiscal
year 2014 and \$2,800,000 for fiscal
year 2015
Energy Freedom Account: For transfer to the state
general fund, \$1,000,000 for fiscal
year 2014 and \$1,000,000 for fiscal year 2015
Pollution Liability Insurance Program Trust Account: \$2,000,00
For transfer to the state general fund,
\$2,500,000 for fiscal year 2014 and \$2,500,000
for fiscal year 2015
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 \$3,400,00
State Lottery Account: For transfer to the education
legacy trust account, \$10,050,000
for fiscal year 2014 and \$6,050,000 for fiscal
year 2015
State Toxics Control Account: For transfer to the
radioactive mixed waste account, \$2,000,000 for
fiscal year 2014
General Fund: For transfer to the education savings
account, \$387.04 for fiscal year 2014
<u>Liquor Revolving Fund: For transfer to the state</u>
general fund in an amount not to exceed the
amount determined pursuant to RCW 69.50.540,
\$6,000,000 for fiscal year 2015\$6,000,00
Dedicated Marijuana Account: For transfer to the
state general fund, \$15,269,000 for fiscal year
<u>2015</u> \$15,269,00

PART XIX MISCELLANEOUS

<u>NEW SECTION.</u> **Sec. 1901.** 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.

<u>NEW SECTION.</u> **Sec. 1902.** 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, except for section 971 (RCW 77.12.203) of this act, which takes effect July 1, 2015.

Passed by the Senate June 29, 2015.

Passed by the House June 29, 2015.

Approved by the Governor June 30, 2015, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State July 1, 2015.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 130, page 27, line 29; 204(2)(f); 501(1)(f); 950(3); 963; and 1213, page 381, lines 6-7, Engrossed Substitute Senate Bill No. 6052 entitled:

"AN ACT Relating to fiscal matters."

Section 130, page 27, line 29, Office of Financial Management, Data Processing Revolving Account

The Data Processing Revolving Account will be abolished, effective January 1, 2016, pursuant to passage of Engrossed Second Substitute Senate Bill No. 5315. Because this appropriation to the Office of Financial Management is no longer necessary, I have vetoed Section 130, page 27, line 29.

Section 204(2)(f), pages 58-59, Department of Social and Health Services, Study on Clinical Role of Psychiatrists

This proviso requires the Department of Social and Health Services, within existing resources, to contract with a consultant to conduct a workload study and to examine the clinical role of psychiatrists at the state psychiatric hospitals with respect to patients who are the subject of both forensic and civil commitment. In addition to findings and recommendations on those topics, the consultant must identify factors other than compensation that are negatively affecting job retention for psychiatrists and make recommendations for addressing those issues. Although I welcome additional expertise to address factors that may influence job retention, funding is not provided for the cost of an independent contractor. For this reason, I have vetoed Section 204(2)(f).

Section 501(1)(f), page 126, Superintendent of Public Instruction, School District Accounting Rules and Reporting

This proviso requires the Superintendent of Public Instruction to revise the accounting rules for school districts, as well as accounting and financial information technology systems, to separate expenditures of levy and local effort assistance revenues from all other expenditures. It also requires additional detailed reporting of school district compensation data. The Superintendent estimated \$400,000 would be needed to implement this proviso, and no funding was provided. In addition, the new rules and systems must be in place by the 2016-17 school year, leaving no time for the Superintendent totest the system with pilot districts prior to implementation. For these reasons, I have vetoed Section 501(1)(f).

Section 950(3), page 257, Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Distribution in 2017

I support funding for the Local Law Enforcement Officers' and Firefighters' Retirement System Benefits Improvement Account, and included funding for this account in my budget proposal. Rather than provide a General Fund-State appropriation to this account, the Legislature transferred money from the LEOFF retirement system pension fund to the benefits improvement account. While I am approving this one-time transfer, I am concerned that repeated transfers would undermine the stability of the pension fund and increase the cost of existing pension benefits for plan members, local governments, and the state of Washington. Because I believe that future funding for the benefits improvement account should be made through General Fund appropriations, as envisioned by the legislation that created that account, I am vetoing language that indicates legislative intent for future transfers from the pension fund. For this reason, I have vetoed Section 950(3).

Section 963, page 268, Life Sciences Discovery Fund

The Life Sciences Discovery Fund Authority (LSDFA) provides valuable and innovative research that improves the health of all Washingtonians. I am disappointed the Legislature could not come to an agreement on providing some new funding for the LSDFA. I am concerned that Section 963 unduly restricts the awarding of grants with money currently in the Life Sciences Discovery Fund and abruptly ends the work of the LSDFA. This prohibition also restricts the LSDFA from using new revenue provided by marijuana research licenses pursuant to Senate Bill No. 5121. We must provide maximum flexibility for the LSDFA to carry out its mission and expend all remaining money in the Life Sciences Discovery Fund. For these reasons, I have vetoed Section 963.

Section 1213, page 381, lines 6-7, Health Care Authority, Savings Through Waiver Request

The budget assumes that the Health Care Authority (HCA) can achieve General Fund-State savings in state fiscal year 2015 by, among several savings steps, seeking a waiver from the federal Centers for Medicare and Medicaid Services. This waiver would provide federal flexibility in the area of innovative reimbursement methods. The Centers for Medicare and Medicaid Services has indicated that it will not approve this waiver request, and therefore, the savings cannot be achieved. For this reason, I have vetoed Section 1213, page 381, lines 6-7, and directed HCA to place any unused funds in reserve status.

For these reasons I have vetoed Sections 130, page 27, line 29; 204(2)(f); 501(1)(f); 950(3); 963; and 1213, page 381, lines 6-7 of Engrossed Substitute Senate Bill No. 6052.

With the exception of Sections 130, page 27, line 29; 204(2)(f); 501(1)(f); 950(3); 963; and 1213, page 381, lines 6-7, Engrossed Substitute Senate Bill No. 6052 is approved."

CHAPTER 5

[Engrossed Substitute Senate Bill 6138]

TAX PREFERENCES--ELMINATION--MANUFACTURING EQUIPMENT

AN ACT Relating to increasing state revenue through improved compliance methods and eliminating tax preferences for royalties and certain manufacturing equipment; amending RCW 82.04.2907, 82.04.066, 82.04.067, 82.04.424, and 82.32.090; reenacting and amending RCW 82.08.02565, 82.12.02565, and 82.63.010; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.32 RCW; creating new sections; providing effective dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Part I Repealing the Preferential B&O Tax Rate for Royalty Income

- **Sec. 101.** RCW 82.04.2907 and 2010 1st sp.s. c 23 s 107 are each amended to read as follows:
- (1) Upon every person engaging within this state in the business of receiving income from royalties, the amount of tax with respect to the business is equal to the gross income from royalties multiplied by the rate ((of 0.484 percent)) provided in RCW 82.04.290(2)(a).
- (2) For the purposes of this section, "gross income from royalties" means compensation for the use of intangible property, including charges in the nature of royalties, regardless of where the intangible property will be used. For purposes of this subsection, "intangible property" includes copyrights, patents, licenses, franchises, trademarks, trade names, and similar items. "Gross income from royalties" does not include compensation for any natural resource, the licensing of prewritten computer software to the end user, or the licensing of digital goods, digital codes, or digital automated services to the end user as defined in RCW 82.04.190(11).

Part II Nexus

<u>NEW SECTION.</u> **Sec. 201.** (1) The commerce clause of the United States Constitution as currently interpreted by the United States supreme court prohibits states from imposing sales or use tax collection obligations on out-of-state businesses unless the business has a substantial nexus with the taxing state.

(2) The legislature recognizes that under the United States supreme court's decision in *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992), a substantial

nexus for sales and use tax collection purposes requires that the taxpayer have a physical presence in the taxing state.

- (3) The legislature further recognizes that the requisite physical presence can be established directly through a taxpayer's own activities in the taxing state, or indirectly, through independent contractors, agents, or other representatives who act on behalf of the taxpayer in the taxing state.
- (4) However, the legislature finds that because the United States supreme court has not clearly defined the circumstances under which a physical presence is sufficient to establish a substantial nexus for tax purposes, frequent conflicts have arisen throughout the country among state taxing authorities, taxpayers, tax practitioners, and courts.
- (5) Therefore, the legislature intends to provide more clarity for out-of-state sellers that compensate Washington residents for referring customers to the out-of-state seller by providing clear statutory guidelines for determining when these out-of-state sellers are required to collect Washington's retail sales tax.

<u>NEW SECTION.</u> **Sec. 202.** A new section is added to chapter 82.08 RCW to be codified between RCW 82.08.050 and 82.08.054 to read as follows:

- (1) For purposes of this chapter, a remote seller is presumed to have a substantial nexus with this state and is obligated to collect retail sales tax if the remote seller enters into an agreement with a resident of this state under which the resident, for a commission or other consideration, directly or indirectly refers potential customers, whether by a link on an internet web site or otherwise, to the remote seller, if the cumulative gross receipts from sales by the remote seller to customers in this state who are referred to the remote seller by all residents with this type of an agreement with the remote seller exceed ten thousand dollars during the preceding calendar year. This presumption may be rebutted by proof that the resident with whom the remote seller has an agreement did not engage in any solicitation in this state on behalf of the remote seller that would satisfy the nexus requirement of the United States Constitution during the calendar year in question. Proof may be shown by (a) establishing, in a manner acceptable to the department, that (i) each in-state person with whom the remote seller has an agreement is prohibited from engaging in any solicitation activities in this state that refer potential customers to the remote seller, and (ii) such in-state person or persons have complied with that prohibition; or (b) any other means as may be approved by the department.
- (2) "Remote seller" means a seller that makes retail sales in this state through one or more agreements described in subsection (1) of this section, and the seller's other physical presence in this state, if any, is not sufficient to establish a retail sales or use tax collection obligation under the commerce clause of the United States Constitution.
- (3) Nothing in this section may be construed to affect in any way RCW 82.04.424, 82.08.050(11), or 82.12.040(5).
 - (4) This section is subject to section 205 of this act.
- **Sec. 203.** RCW 82.04.066 and 2010 1st sp.s. c 23 s 103 are each amended to read as follows:

"Engaging within this state" and "engaging within the state," when used in connection with any apportionable activity as defined in RCW 82.04.460 or wholesale sales taxable under RCW 82.04.257(1) or 82.04.270, means that a

person generates gross income of the business from sources within this state, such as customers or intangible property located in this state, regardless of whether the person is physically present in this state.

- **Sec. 204.** RCW 82.04.067 and 2010 1st sp.s. c 23 s 104 are each amended to read as follows:
- (1) A person engaging in business is deemed to have substantial nexus with this state if the person is:
 - (a) An individual and is a resident or domiciliary of this state;
- (b) A business entity and is organized or commercially domiciled in this state; or
- (c) A nonresident individual or a business entity that is organized or commercially domiciled outside this state, and in ((any)) the immediately preceding tax year the person ((has)) had:
 - (i) More than fifty thousand dollars of property in this state;
 - (ii) More than fifty thousand dollars of payroll in this state;
- (iii) More than two hundred fifty thousand dollars of receipts from this state; or
- (iv) At least twenty-five percent of the person's total property, total payroll, or total receipts in this state.
- (2)(a) Property counting toward the thresholds in subsection (1)(c)(i) and (iv) of this section is the average value of the taxpayer's property, including intangible property, owned or rented and used in this state during the <u>immediately preceding</u> tax year.
- (b)(i) Property owned by the taxpayer, other than loans and credit card receivables owned by the taxpayer, is valued at its original cost basis. Loans and credit card receivables owned by the taxpayer are valued at their outstanding principal balance, without regard to any reserve for bad debts. However, if a loan or credit card receivable is charged off in whole or in part for federal income tax purposes, the portion of the loan or credit card receivable charged off is deducted from the outstanding principal balance.
- (ii) Property rented by the taxpayer is valued at eight times the net annual rental rate. For purposes of this subsection, "net annual rental rate" means the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals.
- (c) The average value of property must be determined by averaging the values at the beginning and ending of the tax year; but the department may require the averaging of monthly values during the tax year if reasonably required to properly reflect the average value of the taxpayer's property.
- (d)(i) For purposes of this subsection (2), loans and credit card receivables are deemed owned and used in this state as follows:
- (A) Loans secured by real property, personal property, or both real and personal property((5)) are deemed owned and used in the state if the real property or personal property securing the loan is located within this state. If the property securing the loan is located both within this state and one or more other states, the loan is deemed owned and used in this state if more than fifty percent of the fair market value of the real or personal property is located within this state. If more than fifty percent of the fair market value of the real or personal property is not located within any one state, then the loan is deemed owned and used in this state if the borrower is located in this state. The determination of whether the

real or personal property securing a loan is located within this state must be made, as of the time the original agreement was made, and any and all subsequent substitutions of collateral must be disregarded.

- (B) Loans not secured by real or personal property are deemed owned and used in this state if the borrower is located in this state.
- (C) Credit card receivables are deemed owned and used in this state if the billing address of the cardholder is in this state.
- (ii)(A) Except as otherwise provided in (d)(ii)(B) of this subsection (2), the definitions in the multistate tax commission's recommended formula for the apportionment and allocation of net income of financial institutions as existing on June 1, 2010, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, apply to this section.
- (B) "Credit card" means a card or device existing for the purpose of obtaining money, property, labor, or services on credit.
- (e) Notwithstanding anything else to the contrary in this subsection, property counting toward the thresholds in subsection (1)(c)(i) and (iv) of this section does not include a person's ownership of, or rights in, computer software as defined in RCW 82.04.215, including computer software used in providing a digital automated service; master copies of software; and digital goods and digital codes residing on servers located in this state.
- (3)(a) Payroll counting toward the thresholds in subsection (1)(c)(ii) and (iv) of this section is the total amount paid by the taxpayer for compensation in this state during the <u>immediately preceding</u> tax year plus nonemployee compensation paid to representative third parties in this state. Nonemployee compensation paid to representative third parties includes the gross amount paid to nonemployees who represent the taxpayer in interactions with the taxpayer's clients and includes sales commissions.
- (b) Employee compensation is paid in this state if the compensation is properly reportable to this state for unemployment compensation tax purposes, regardless of whether the compensation was actually reported to this state.
- (c) Nonemployee compensation is paid in this state if the service performed by the representative third party occurs entirely or primarily within this state.
- (d) For purposes of this subsection, "compensation" means wages, salaries, commissions, and any other form of remuneration paid to employees or nonemployees and defined as gross income under 26 U.S.C. Sec. 61 of the federal internal revenue code of 1986, as existing on June 1, 2010.
- (4) Receipts counting toward the thresholds in subsection (1)(c)(iii) and (iv) of this section are:
- (a) Those amounts included in the numerator of the receipts factor under RCW 82.04.462 ((and,));
- (b) For financial institutions, those amounts included in the numerator of the receipts factor under the rule adopted by the department as authorized in RCW 82.04.460(2); and
- (c) For persons taxable under RCW 82.04.257(1) or 82.04.270 with respect to wholesale sales, the gross proceeds of sales taxable under those statutory provisions and sourced to this state in accordance with RCW 82.32.730.
- (5)(a) Each December, the department must review the cumulative percentage change in the consumer price index. The department must adjust the thresholds in subsection (1)(c)(i) through (iii) of this section if the consumer

price index has changed by five percent or more since the later of June 1, 2010, or the date that the thresholds were last adjusted under this subsection. For purposes of determining the cumulative percentage change in the consumer price index, the department must compare the consumer price index available as of December 1st of the current year with the consumer price index as of the later of June 1, 2010, or the date that the thresholds were last adjusted under this subsection. The thresholds must be adjusted to reflect that cumulative percentage change in the consumer price index. The adjusted thresholds must be rounded to the nearest one thousand dollars. Any adjustment will apply to tax periods that begin after the adjustment is made.

- (b) As used in this subsection, "consumer price index" means the consumer price index for all urban consumers (CPI-U) available from the bureau of labor statistics of the United States department of labor.
- (6)(a) Subsections (1) through (5) of this section only apply with respect to the taxes ((imposed under this chapter)) on persons engaged in apportionable activities as defined in RCW 82.04.460 or making wholesale sales taxable under RCW 82.04.257(1) or 82.04.270. For purposes of the taxes imposed under this chapter on any activity not included in the definition of apportionable activities in RCW 82.04.460, other than the business of making wholesale sales taxed under RCW 82.04.257(1) or 82.04.270, a person is deemed to have a substantial nexus with this state if the person has a physical presence in this state during the tax year, which need only be demonstrably more than a slightest presence.
- (b) For purposes of this subsection, a person is physically present in this state if the person has property or employees in this state.
- (c)(i) A person is also physically present in this state <u>for the purposes of this subsection</u> if the person, either directly or through an agent or other representative, engages in activities in this state that are significantly associated with the person's ability to establish or maintain a market for its products in this state.
- (ii) A remote seller as defined in section 202 of this act is presumed to be engaged in activities in this state that are significantly associated with the remote seller's ability to establish or maintain a market for its products in this state if the remote seller is presumed to have a substantial nexus with this state under section 202 of this act. The presumption in this subsection (6)(c)(ii) may be rebutted as provided in section 202 of this act. To the extent that the presumption in section 202 of this act is no longer operative pursuant to section 205 of this act, the presumption in this subsection (6)(c)(ii) is no longer operative. Nothing in this section may be construed to affect in any way RCW 82.04.424, 82.08.050(11), or 82.12.040(5) or to narrow the scope of the terms "agent" or "other representative" in this subsection (6)(c).

<u>NEW SECTION.</u> **Sec. 205.** A new section is added to chapter 82.32 RCW to read as follows:

(1) If the department determines that a change, taking effect after the effective date of this section, in the streamlined sales and use tax agreement or federal law creates a conflict with any provision of section 202 of this act, such conflicting provision or provisions of section 202 of this act, including any related provisions that would not function as originally intended, have no further force and effect as of the date the change in the streamlined sales and use tax agreement or federal law becomes effective.

- (2) For purposes of this section:
- (a) A change in federal law conflicts with section 202 of this act if the change clearly allows states to impose greater sales and use tax collection obligations on remote sellers than provided for, or clearly prevents states from imposing sales and use tax collection obligations on remote sellers to the extent provided for, under section 202 of this act.
- (b) A change in the streamlined sales and use tax agreement conflicts with section 202 of this act if one or more provisions of section 202 of this act causes this state to be found out of compliance with the streamlined sales and use tax agreement by its governing board.
- (3) If the department makes a determination under this section that a change in federal law or the streamlined sales and use tax agreement conflicts with one or more provisions of section 202 of this act, the department:
- (a) May adopt rules in accordance with chapter 34.05 RCW that are consistent with the streamlined sales and use tax agreement and that impose sales and use tax collection obligations on remote sellers to the fullest extent allowed under state and federal law; and
- (b) Must include information on its web site informing taxpayers and the public (i) of the provision or provisions of section 202 of this act that will have no further force and effect, (ii) when such change will become effective, and (iii) about how to participate in any rule making conducted by the department in accordance with (a) of this subsection (3).
- (4) For purposes of this section, "remote seller" has the same meaning as in section 202 of this act.
- **Sec. 206.** RCW 82.04.424 and 2003 c 76 s 2 are each amended to read as follows:
- (1) This chapter does not apply to a person making <u>retail</u> sales in Washington if:
- (a) The person's activities in this state, whether conducted directly or through another person, are limited to:
 - (i) The storage, dissemination, or display of advertising;
 - (ii) The taking of orders; or
 - (iii) The processing of payments; and
- (b) The activities are conducted electronically via a web site on a server or other computer equipment located in Washington that is not owned or operated by the person making sales into this state nor owned or operated by an affiliated person. For purposes of this section, persons are "affiliated persons" with respect to each other where one of the persons has an ownership interest of more than five percent, whether direct or indirect, in the other, or where an ownership interest of more than five percent, whether direct or indirect, is held in each of the persons by another person or by a group of other persons which are affiliated with respect to each other.
- (2)(a) This section expires when: (((a))) (i) The United States congress grants individual states the authority to impose sales and use tax collection duties on remote sellers; or (((b))) (ii) it is determined by a court of competent jurisdiction, in a judgment not subject to review, that a state can impose sales and use tax collection duties on remote sellers.
- (b) The department of revenue must provide notice of the expiration date of this section to affected parties, the chief clerk of the house of representatives, the

secretary of the senate, the office of the code reviser, and others as deemed appropriate by the department.

Part III Manufacturing Machinery and Equipment Exemption for Software Manufacturers

Sec. 301. RCW 82.08.02565 and 2014 c 216 s 401 and 2014 c 140 s 13 are each reenacted and amended to read as follows:

- (1)(a) The tax levied by RCW 82.08.020 does not apply to sales to a manufacturer or processor for hire of machinery and equipment used directly in a manufacturing operation or research and development operation, to sales to a person engaged in testing for a manufacturer or processor for hire of machinery and equipment used directly in a testing operation, or to sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.
- (b) Except as provided in (c) of this subsection, sellers making tax-exempt sales under this section must obtain from the purchaser an exemption certificate in a form and manner prescribed by the department by rule. The seller must retain a copy of the certificate for the seller's files.
- (c)(i) The exemption under this section is in the form of a remittance for a gas distribution business, as defined in RCW 82.16.010, claiming the exemption for machinery and equipment used for the production of compressed natural gas or liquefied natural gas for use as a transportation fuel.
- (ii) A gas distribution business claiming an exemption from state and local tax in the form of a remittance under this section must pay the tax under RCW 82.08.020 and all applicable local sales taxes. Beginning July 1, 2017, the gas distribution business may then apply to the department for remittance of state and local sales and use taxes. A gas distribution business may not apply for a remittance more frequently than once a quarter. The gas distribution business must specify the amount of exempted tax claimed and the qualifying purchases for which the exemption is claimed. The gas distribution business must retain, in adequate detail, records to enable the department to determine whether the business is entitled to an exemption under this section, including: Invoices; proof of tax paid; and documents describing the machinery and equipment.
- (iii) The department must determine eligibility under this section based on the information provided by the gas distribution business, which is subject to audit verification by the department. The department must on a quarterly basis remit exempted amounts to qualifying businesses who submitted applications during the previous quarter.
- (iv) Beginning July 1, 2028, a gas distribution business may not apply for a refund under this section or RCW 82.12.02565.
 - (2) For purposes of this section and RCW 82.12.02565:
- (a) "Machinery and equipment" means industrial fixtures, devices, and support facilities, and tangible personal property that becomes an ingredient or component thereof, including repair parts and replacement parts. "Machinery and equipment" includes pollution control equipment installed and used in a manufacturing operation, testing operation, or research and development operation to prevent air pollution, water pollution, or contamination that might

otherwise result from the manufacturing operation, testing operation, or research and development operation. "Machinery and equipment" also includes digital goods.

- (b) "Machinery and equipment" does not include:
- (i) Hand-powered tools;
- (ii) Property with a useful life of less than one year;
- (iii) Buildings, other than machinery and equipment that is permanently affixed to or becomes a physical part of a building; and
- (iv) Building fixtures that are not integral to the manufacturing operation, testing operation, or research and development operation that are permanently affixed to and become a physical part of a building, such as utility systems for heating, ventilation, air conditioning, communications, plumbing, or electrical.
- (c) Machinery and equipment is "used directly" in a manufacturing operation, testing operation, or research and development operation if the machinery and equipment:
 - (i) Acts upon or interacts with an item of tangible personal property;
- (ii) Conveys, transports, handles, or temporarily stores an item of tangible personal property at the manufacturing site or testing site;
- (iii) Controls, guides, measures, verifies, aligns, regulates, or tests tangible personal property at the site or away from the site;
 - (iv) Provides physical support for or access to tangible personal property;
 - (v) Produces power for, or lubricates machinery and equipment;
- (vi) Produces another item of tangible personal property for use in the manufacturing operation, testing operation, or research and development operation;
- (vii) Places tangible personal property in the container, package, or wrapping in which the tangible personal property is normally sold or transported; or
 - (viii) Is integral to research and development as defined in RCW 82.63.010.
- (d) "Manufacturer" means a person that qualifies as a manufacturer under RCW 82.04.110. "Manufacturer" also includes a person that:
 - (i) Prints newspapers or other materials; or
- (ii) Is engaged in the development of prewritten computer software that is not transferred to purchasers by means of tangible storage media.
- (e) "Manufacturing" means only those activities that come within the definition of "to manufacture" in RCW 82.04.120 and are taxed as manufacturing or processing for hire under chapter 82.04 RCW, or would be taxed as such if such activity were conducted in this state or if not for an exemption or deduction. "Manufacturing" also includes printing newspapers or other materials. An activity is not taxed as manufacturing or processing for hire under chapter 82.04 RCW if the activity is within the purview of chapter 82.16 RCW.
- (f) "Manufacturing operation" means the manufacturing of articles, substances, or commodities for sale as tangible personal property. A manufacturing operation begins at the point where the raw materials enter the manufacturing site and ends at the point where the processed material leaves the manufacturing site. With respect to the production of class A or exceptional quality biosolids by a wastewater treatment facility, the manufacturing operation begins at the point where class B biosolids undergo additional processing to

achieve class A or exceptional quality standards. Notwithstanding anything to the contrary in this section, the term also includes that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part. The term does not include the preparation of food products on the premises of a person selling food products at retail.

- (g) "Cogeneration" means the simultaneous generation of electrical energy and low-grade heat from the same fuel.
- (h) "Research and development operation" means engaging in research and development as defined in RCW 82.63.010 by a manufacturer or processor for hire.
- (i) "Testing" means activities performed to establish or determine the properties, qualities, and limitations of tangible personal property.
- (j) "Testing operation" means the testing of tangible personal property for a manufacturer or processor for hire. A testing operation begins at the point where the tangible personal property enters the testing site and ends at the point where the tangible personal property leaves the testing site. The term also includes the testing of tangible personal property for use in that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part. The term does not include the testing of tangible personal property for use in the production of electricity by a light and power business as defined in RCW 82.16.010 or the preparation of food products on the premises of a person selling food products at retail.
- (3) This section does not apply (a) to sales of machinery and equipment used directly in the manufacturing, research and development, or testing of marijuana, useable marijuana, or marijuana-infused products, or (b) to sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving such machinery and equipment.
- (4) The exemptions in this section do not apply to an ineligible person. For purposes of this subsection, the following definitions apply:
 - (a) "Affiliated group" means a group of two or more entities that are either:
 - (i) Affiliated as defined in RCW 82.32.655; or
 - (ii) Permitted to file a consolidated return for federal income tax purposes.
- (b) "Ineligible person" means all members of an affiliated group if all of the following apply:
- (i) At least one member of the affiliated group was registered with the department to do business in Washington state on or before July 1, 1981;
- (ii) As of the effective date of this section, the combined employment in this state of the affiliated group exceeds forty thousand full-time and part-time employees, based on data reported to the employment security department by the affiliated group; and
- (iii) The business activities of the affiliated group primarily include development, sales, and licensing of computer software and services.
- **Sec. 302.** RCW 82.12.02565 and 2014 c 216 s 402 and 2014 c 140 s 14 are each reenacted and amended to read as follows:
- (1) The provisions of this chapter do not apply in respect to the use by a manufacturer or processor for hire of machinery and equipment used directly in a manufacturing operation or research and development operation, to the use by

- a person engaged in testing for a manufacturer or processor for hire of machinery and equipment used directly in a testing operation, or to the use of labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.
- (2) The definitions, conditions, and requirements in RCW 82.08.02565 apply to this section.
- (3) This section does not apply to the use of (a) machinery and equipment used directly in the manufacturing, research and development, or testing of marijuana, useable marijuana, or marijuana-infused products, or (b) labor and services rendered in respect to installing, repairing, cleaning, altering, or improving such machinery and equipment.
- (4) The exemptions in this section do not apply to an ineligible person as defined in RCW 82.08.02565.
- **Sec. 303.** RCW 82.63.010 and 2009 c 268 s 2 are each reenacted and amended to read as follows:
- ((Unless the context clearly requires otherwise,)) The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- (1) "Advanced computing" means technologies used in the designing and developing of computing hardware and software, including innovations in designing the full spectrum of hardware from hand-held calculators to super computers, and peripheral equipment.
- (2) "Advanced materials" means materials with engineered properties created through the development of specialized processing and synthesis technology, including ceramics, high value-added metals, electronic materials, composites, polymers, and biomaterials.
- (3) "Applicant" means a person applying for a tax deferral under this chapter.
- (4) "Biotechnology" means the application of technologies, such as recombinant DNA techniques, biochemistry, molecular and cellular biology, genetics and genetic engineering, cell fusion techniques, and new bioprocesses, using living organisms, or parts of organisms, to produce or modify products, to improve plants or animals, to develop microorganisms for specific uses, to identify targets for small molecule pharmaceutical development, or to transform biological systems into useful processes and products or to develop microorganisms for specific uses.
 - (5) "Department" means the department of revenue.
- (6) "Electronic device technology" means technologies involving microelectronics; semiconductors; electronic equipment and instrumentation; radio frequency, microwave, and millimeter electronics; optical and opticelectrical devices; and data and digital communications and imaging devices.
- (7) "Eligible investment project" means an investment project which either initiates a new operation, or expands or diversifies a current operation by expanding, renovating, or equipping an existing facility. The lessor or owner of the qualified building is not eligible for a deferral unless:
- (a) The underlying ownership of the buildings, machinery, and equipment vests exclusively in the same person; or
- (b)(i) The lessor by written contract agrees to pass the economic benefit of the deferral to the lessee;

- (ii) The lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the annual survey required under RCW 82.63.020(2); and
- (iii) The economic benefit of the deferral passed to the lessee is no less than the amount of tax deferred by the lessor and is evidenced by written documentation of any type of payment, credit, or other financial arrangement between the lessor or owner of the qualified building and the lessee.
- (8) "Environmental technology" means assessment and prevention of threats or damage to human health or the environment, environmental cleanup, and the development of alternative energy sources.
- (9)(a) "Initiation of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for:
- (i) Construction of the qualified building, if the underlying ownership of the building vests exclusively with the person receiving the economic benefit of the deferral;
- (ii) Construction of the qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection (7) of this section; or
- (iii) Tenant improvements for a qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection (7) of this section.
- (b) "Initiation of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities that are initiated before the issuance of a building permit for the construction of the foundation of the building.
- (c) If the investment project is a phased project, "initiation of construction" shall apply separately to each phase.
- (10) "Investment project" means an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction or improvement of the project.
- (11) "Multiple qualified buildings" means qualified buildings leased to the same person when such structures: (a) Are located within a five-mile radius; and (b) the initiation of construction of each building begins within a sixty-month period.
- (12) "Person" has the meaning given in RCW 82.04.030 and includes state universities as defined in RCW 28B.10.016.
- (13) "Pilot scale manufacturing" means design, construction, and testing of preproduction prototypes and models in the fields of biotechnology, advanced computing, electronic device technology, advanced materials, and environmental technology other than for commercial sale. As used in this subsection, "commercial sale" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.
- (14) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for pilot scale manufacturing or qualified research and development, including plant offices and other facilities that are an essential or an integral part of a structure used for pilot scale manufacturing or qualified research and development. If a building or buildings are used partly for pilot scale manufacturing or qualified research and development, and partly for other purposes, the applicable tax deferral shall be determined by apportionment

of the costs of construction under rules adopted by the department. Such rules may include provisions for determining the amount of the deferral based on apportionment of costs of construction of an investment project consisting of a building or multiple buildings, where qualified research and development or pilot scale manufacturing activities are shifted within a building or from one building to another building.

- (15)(a) "Qualified machinery and equipment" means fixtures, equipment, and support facilities that are an integral and necessary part of a pilot scale manufacturing or qualified research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment, instrumentation, and other devices used in a process of experimentation to develop a new or improved pilot model, plant process, product, formula, invention, or similar property; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; vats, tanks, and fermenters; operating structures; and all other equipment used to control, monitor, or operate the machinery. For purposes of this chapter, qualified machinery and equipment must be either new to the taxing jurisdiction of the state or new to the certificate holder, except that used machinery and equipment may be treated as qualified machinery and equipment if the certificate holder either brings the machinery and equipment into Washington or makes a retail purchase of the machinery and equipment in Washington or elsewhere.
- (b) "Qualified machinery and equipment" does not include any fixtures, equipment, or support facilities, if the sale to or use by the recipient is not eligible for an exemption under RCW 82.08.02565 or 82.12.02565 solely because the recipient is an ineligible person as defined in RCW 82.08.02565.
- (16) "Qualified research and development" means research and development performed within this state in the fields of advanced computing, advanced materials, biotechnology, electronic device technology, and environmental technology.
 - (17) "Recipient" means a person receiving a tax deferral under this chapter.
- (18) "Research and development" means activities performed to discover technological information, and technical and nonroutine activities concerned with translating technological information into new or improved products, processes, techniques, formulas, inventions, or software. The term includes exploration of a new use for an existing drug, device, or biological product if the new use requires separate licensing by the federal food and drug administration under chapter 21, C.F.R., as amended. The term does not include adaptation or duplication of existing products where the products are not substantially improved by application of the technology, nor does the term include surveys and studies, social science and humanities research, market research or testing, quality control, sale promotion and service, computer software developed for internal use, and research in areas such as improved style, taste, and seasonal design.

<u>NEW SECTION.</u> **Sec. 304.** Section 303 of this act does not apply with respect to deferral certificates issued under chapter 82.63 RCW before January 1, 2015.

<u>NEW SECTION.</u> **Sec. 305.** If RCW 82.08.02565, 82.12.02565, or 82.63.010 are amended by any other act enacted during the regular or any

special session of the 2015 legislature, each amendment without reference to the other amendment or amendments of the same statute, the legislature intends for the amendments in this act to be deemed to not conflict in purpose with the amendments in any other such act for the purposes of RCW 1.12.025 and that the amendments in this act be given effect.

<u>NEW SECTION.</u> **Sec. 306.** Sections 301 and 302 of this act do not apply with respect to machinery and equipment, as defined in RCW 82.08.02565, first used by the taxpayer in this state before the effective date of sections 301 and 302 of this act

Part IV Late Payment Penalties

Sec. 401. RCW 82.32.090 and 2011 c 24 s 3 are each amended to read as follows:

- (1) If payment of any tax due on a return to be filed by a taxpayer is not received by the department of revenue by the due date, there is assessed a penalty of ((five)) nine percent of the amount of the tax; and if the tax is not received on or before the last day of the month following the due date, there is assessed a total penalty of ((fifteen)) nineteen percent of the amount of the tax under this subsection; and if the tax is not received on or before the last day of the second month following the due date, there is assessed a total penalty of ((twenty-five)) twenty-nine percent of the amount of the tax under this subsection. No penalty so added may be less than five dollars.
- (2) If the department of revenue determines that any tax has been substantially underpaid, there is assessed a penalty of five percent of the amount of the tax determined by the department to be due. If payment of any tax determined by the department to be due is not received by the department by the due date specified in the notice, or any extension thereof, there is assessed a total penalty of fifteen percent of the amount of the tax under this subsection; and if payment of any tax determined by the department to be due is not received on or before the thirtieth day following the due date specified in the notice of tax due, or any extension thereof, there is assessed a total penalty of twenty-five percent of the amount of the tax under this subsection. No penalty so added may be less than five dollars. As used in this section, "substantially underpaid" means that the taxpayer has paid less than eighty percent of the amount of tax determined by the department to be due for all of the types of taxes included in, and for the entire period of time covered by, the department's examination, and the amount of underpayment is at least one thousand dollars.
- (3) If a warrant is issued by the department of revenue for the collection of taxes, increases, and penalties, there is added thereto a penalty of ten percent of the amount of the tax, but not less than ten dollars.
- (4) If the department finds that a person has engaged in any business or performed any act upon which a tax is imposed under this title and that person has not obtained from the department a registration certificate as required by RCW 82.32.030, the department must impose a penalty of five percent of the amount of tax due from that person for the period that the person was not registered as required by RCW 82.32.030. The department may not impose the

penalty under this subsection (4) if a person who has engaged in business taxable under this title without first having registered as required by RCW 82.32.030, prior to any notification by the department of the need to register, obtains a registration certificate from the department.

- (5) If the department finds that a taxpayer has disregarded specific written instructions as to reporting or tax liabilities, or willfully disregarded the requirement to file returns or remit payment electronically, as provided by RCW 82.32.080, the department must add a penalty of ten percent of the amount of the tax that should have been reported and/or paid electronically or the additional tax found due if there is a deficiency because of the failure to follow the instructions. A taxpayer disregards specific written instructions when the department has informed the taxpayer in writing of the taxpayer's tax obligations and the taxpayer fails to act in accordance with those instructions unless, in the case of a deficiency, the department has not issued final instructions because the matter is under appeal pursuant to this chapter or departmental regulations. The department may not assess the penalty under this section upon any taxpayer who has made a good faith effort to comply with the specific written instructions provided by the department to that taxpayer. A taxpayer will be considered to have made a good faith effort to comply with specific written instructions to file returns and/or remit taxes electronically only if the taxpayer can show good cause, as defined in RCW 82.32.080, for the failure to comply with such instructions. A taxpaver will be considered to have willfully disregarded the requirement to file returns or remit payment electronically if the department has mailed or otherwise delivered the specific written instructions to the taxpayer on at least two occasions. Specific written instructions may be given as a part of a tax assessment, audit, determination, closing agreement, or other written communication, provided that such specific written instructions apply only to the taxpayer addressed or referenced on such communication. Any specific written instructions by the department must be clearly identified as such and must inform the taxpayer that failure to follow the instructions may subject the taxpayer to the penalties imposed by this subsection. If the department determines that it is necessary to provide specific written instructions to a taxpayer that does not comply with the requirement to file returns or remit payment electronically as provided in RCW 82.32.080, the specific written instructions must provide the taxpayer with a minimum of forty-five days to come into compliance with its electronic filing and/or payment obligations before the department may impose the penalty authorized in this subsection.
- (6) If the department finds that all or any part of a deficiency resulted from engaging in a disregarded transaction, as described in RCW 82.32.655(3), the department must assess a penalty of thirty-five percent of the additional tax found to be due as a result of engaging in a transaction disregarded by the department under RCW 82.32.655(2). The penalty provided in this subsection may be assessed together with any other applicable penalties provided in this section on the same tax found to be due, except for the evasion penalty provided in subsection (7) of this section. The department may not assess the penalty under this subsection if, before the department discovers the taxpayer's use of a transaction described under RCW 82.32.655(3), the taxpayer discloses its participation in the transaction to the department.

- (7) If the department finds that all or any part of the deficiency resulted from an intent to evade the tax payable hereunder, a further penalty of fifty percent of the additional tax found to be due must be added.
- (8) The penalties imposed under subsections (1) through (4) of this section can each be imposed on the same tax found to be due. This subsection does not prohibit or restrict the application of other penalties authorized by law.
- (9) The department may not impose the evasion penalty in combination with the penalty for disregarding specific written instructions or the penalty provided in subsection (6) of this section on the same tax found to be due.
- (10) For the purposes of this section, "return" means any document a person is required by the state of Washington to file to satisfy or establish a tax or fee obligation that is administered or collected by the department, and that has a statutorily defined due date.

Part V Miscellaneous Provisions

- <u>NEW SECTION.</u> **Sec. 501.** (1) Except as provided otherwise in this section, 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 August 1, 2015.
- (2) Part II of 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 September 1, 2015.

Passed by the Senate June 30, 2015.
Passed by the House June 30, 2015.
Approved by the Governor July 1, 2015.
Filed in Office of Secretary of State July 2, 2015.

CHAPTER 6

[Engrossed Substitute Senate Bill 6057]

TAX PREFERENCES AND ADMINISTRATION--ECONOMIC DEVELOPMENT

AN ACT Relating to stimulating economic development through the use of tax preferences and streamlined tax administration; amending RCW 82.04.4266, 82.04.4268, 82.04.4269, 82.08.986, 82.12.986, 82.04.2909, 82.04.4481, 82.08.805, 82.12.805, 82.12.022, 82.16.020, 88.02.620, 88.02.640, 88.02.570, 82.48.080, 82.04.213, 82.04.330, 82.04.050, 82.04.050, 82.08.855, 82.21.040, 84.36.480, 82.29A.020, 82.29A.030, 82.29A.040, 63.29.020, 63.29.140, 63.29.170, 63.29.180, 63.29.290, 63.29.300, and 63.29.340; amending 2012 2nd sp.s. c 6 s 704 (uncodified); reenacting and amending RCW 82.04.260, 82.04.260, 82.16.010, 82.29A.020, and 63.29.190; adding a new section to chapter 82.16 RCW; adding a new section to chapter 82.16 RCW; adding a new section to chapter 82.16 RCW; adding a new chapter to Title 82 RCW; creating new sections; repealing RCW 82.04.629, 82.04.630, 82.08.0204, 82.12.0204, 82.08.200, 82.12.200, and 43.136.047; repealing 2010 c 225 s 4 (uncodified); providing effective dates; providing a contingent effective date; providing expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

PART I [NOT USED]

PART II Extending the Expiration Date of Tax Preferences for Food Processing

<u>NEW SECTION.</u> **Sec. 201.** This section is the tax preference performance statement for the agricultural processor tax exemptions in sections 202 through 205 of this act. The performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

- (1) The legislature categorizes this tax preference as one intended to accomplish the general purposes indicated in RCW 82.32.808(2) (c) and (e).
- (2) It is the legislature's specific public policy objective to create and retain jobs and continue providing tax relief to the food processing industry.
- (3) To measure the effectiveness of the exemptions in sections 202 through 205 of this act in achieving the public policy objectives described in subsection (2) of this section, the joint legislative audit and review committee must evaluate the following:
- (a) The number of businesses that claim the exemptions in sections 202 through 205 of this act;
- (b) The change in total taxable income for taxpayers claiming the exemptions under sections 202 through 205 of this act;
- (c) The change in total employment for taxpayers claiming the exemptions under sections 202 through 205 of this act; and
- (d) For each calendar year, the total amount of exemptions claimed under sections 202 through 205 of this act as a percentage of total taxable income for taxpayers within taxable income categories.
- (4) The information provided in the annual survey submitted by the taxpayers under RCW 82.32.585, tax data collected by the department of revenue, and data collected by the employment security department is intended to provide the informational basis for the evaluation under subsection (3) of this section.
- (5) In addition to the data sources described under subsection (4) of this section, the joint legislative audit and review committee may use any other data it deems necessary in performing the evaluation under subsection (3) of this section.
- **Sec. 202.** RCW 82.04.4266 and 2014 c 140 s 9 are each amended to read as follows:
- (1) This chapter does not apply to the value of products or the gross proceeds of sales derived from:
- (a) Manufacturing fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables; or
- (b) Selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state. A person taking an exemption under this subsection (1)(b) must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.

- (2) For purposes of this section, "fruits" and "vegetables" do not include marijuana, useable marijuana, or marijuana-infused products.
- (3) A person claiming the exemption provided in this section must file a complete annual survey with the department under RCW 82.32.585.
 - (4) This section expires July 1, ((2015)) 2025.
- **Sec. 203.** RCW 82.04.4268 and 2013 2nd sp.s. c 13 s 204 are each amended to read as follows:
- (1) In computing tax there may be deducted from the measure of tax, the value of products or the gross proceeds of sales derived from:
 - (a) Manufacturing dairy products; or
- (b) Selling dairy products manufactured by the seller to purchasers who either transport in the ordinary course of business the goods out of this state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product. A person taking an exemption under this subsection (1)(b) must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.
 - (2) "Dairy products" has the same meaning as provided in RCW 82.04.260.
- (3) A person claiming the exemption provided in this section must file a complete annual survey with the department under RCW 82.32.585.
 - (4) This section expires July 1, ((2015)) 2025.
- **Sec. 204.** RCW 82.04.4269 and 2012 2nd sp.s. c 6 s 203 are each amended to read as follows:
- (1) This chapter does not apply to the value of products or the gross proceeds of sales derived from:
- (a) Manufacturing seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; or
- (b) Selling manufactured seafood products that remain in a raw, raw frozen, or raw salted state to purchasers who transport in the ordinary course of business the goods out of this state. A person taking an exemption under this subsection (1)(b) must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.
- (2) A person claiming the exemption provided in this section must file a complete annual survey with the department under RCW 82.32.585.
 - (3) This section expires July 1, ((2015)) 2025.
- **Sec. 205.** RCW 82.04.260 and 2014 c 140 s 6 and 2014 c 140 s 4 are each reenacted and amended to read as follows:
- (1) Upon every person engaging within this state in the business of manufacturing:
- (a) Wheat into flour, barley into pearl barley, soybeans into soybean oil, canola into canola oil, canola meal, or canola by-products, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business is equal to the value of the flour, pearl barley, oil, canola meal, or canola by-product manufactured, multiplied by the rate of 0.138 percent;
- (b) Beginning July 1, ((2015)) 2025, seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that

person; or selling manufactured seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing, to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales, multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state;

- (c)(i) Beginning July 1, ((2015)) 2025, dairy products; or selling dairy products that the person has manufactured to purchasers who either transport in the ordinary course of business the goods out of state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product; as to such persons the tax imposed is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.
 - (ii) For the purposes of this subsection (1)(c), "dairy products" means:
- (A) Products, not including any marijuana-infused product, that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including by-products from the manufacturing of the dairy products, such as whey and casein; and
- (B) Products comprised of not less than seventy percent dairy products that qualify under (c)(ii)(A) of this subsection, measured by weight or volume.
- (iii) The preferential tax rate provided to taxpayers under this subsection (1)(c) does not apply to sales of dairy products on or after July 1, 2023, where a dairy product is used by the purchaser as an ingredient or component in the manufacturing in Washington of a dairy product;
- (d)(i) Beginning July 1, ((2015)) 2025, fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables, or selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.
- (ii) For purposes of this subsection (1)(d), "fruits" and "vegetables" do not include marijuana, useable marijuana, or marijuana-infused products;
- (e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or biodiesel feedstock, as those terms are defined in RCW 82.29A.135; as to such persons the amount of tax with respect to the business is equal to the value of alcohol fuel, biodiesel fuel, or biodiesel feedstock manufactured, multiplied by the rate of 0.138 percent; and

- (f) Wood biomass fuel as defined in RCW 82.29A.135; as to such persons the amount of tax with respect to the business is equal to the value of wood biomass fuel manufactured, multiplied by the rate of 0.138 percent.
- (2) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to such business is equal to the value of the peas split or processed, multiplied by the rate of 0.138 percent.
- (3) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.
- (4) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale only and not at retail; as to such persons the tax imposed is equal to the gross proceeds derived from such sales multiplied by the rate of 0.138 percent.
- (5) Upon every person engaging within this state in the business of acting as a travel agent or tour operator; as to such persons the amount of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.
- (6) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax with respect to only international activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.
- (7) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business is equal to the gross proceeds derived from such activities multiplied by the rate of 0.275 percent. Persons subject to taxation under this subsection are exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed. unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee. Specific activities included in this definition are: Wharfage, handling, loading, unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; documentation services in connection with the receipt, delivery, checking, care, custody and control of cargo required in the transfer of cargo; imported automobile handling prior to delivery to consignee; terminal stevedoring and incidental vessel

services, including but not limited to plugging and unplugging refrigerator service to containers, trailers, and other refrigerated cargo receptacles, and securing ship hatch covers.

(8) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW 43.145.010; as to such persons the amount of the tax with respect to such business is equal to the gross income of the business, excluding any fees imposed under chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state must be determined in accordance with the methods of apportionment required under RCW 82.04.460.

- (9) Upon every person engaging within this state as an insurance producer or title insurance agent licensed under chapter 48.17 RCW or a surplus line broker licensed under chapter 48.15 RCW; as to such persons, the amount of the tax with respect to such licensed activities is equal to the gross income of such business multiplied by the rate of 0.484 percent.
- (10) Upon every person engaging within this state in business as a hospital, as defined in chapter 70.41 RCW, that is operated as a nonprofit corporation or by the state or any of its political subdivisions, as to such persons, the amount of tax with respect to such activities is equal to the gross income of the business multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5 percent thereafter.
- (11)(a) Beginning October 1, 2005, upon every person engaging within this state in the business of manufacturing commercial airplanes, or components of such airplanes, or making sales, at retail or wholesale, of commercial airplanes or components of such airplanes, manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of:
 - (i) 0.4235 percent from October 1, 2005, through June 30, 2007; and
 - (ii) 0.2904 percent beginning July 1, 2007.
- (b) Beginning July 1, 2008, upon every person who is not eligible to report under the provisions of (a) of this subsection (11) and is engaging within this state in the business of manufacturing tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes, or making sales, at retail or wholesale, of such tooling manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, be equal to the gross income of the business, multiplied by the rate of 0.2904 percent.
- (c) For the purposes of this subsection (11), "commercial airplane" and "component" have the same meanings as provided in RCW 82.32.550.
- (d) In addition to all other requirements under this title, a person reporting under the tax rate provided in this subsection (11) must file a complete annual report with the department under RCW 82.32.534.

- (e)(i) Except as provided in (e)(ii) of this subsection (11), this subsection (11) does not apply on and after July 1, 2040.
- (ii) With respect to the manufacturing of commercial airplanes or making sales, at retail or wholesale, of commercial airplanes, this subsection (11) does not apply on and after July 1st of the year in which the department makes a determination that any final assembly or wing assembly of any version or variant of a commercial airplane that is the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850 has been sited outside the state of Washington. This subsection (11)(e)(ii) only applies to the manufacturing or sale of commercial airplanes that are the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850.
- (12)(a) Until July 1, 2024, upon every person engaging within this state in the business of extracting timber or extracting for hire timber; as to such persons the amount of tax with respect to the business is, in the case of extractors, equal to the value of products, including by-products, extracted, or in the case of extractors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.
- (b) Until July 1, 2024, upon every person engaging within this state in the business of manufacturing or processing for hire: (i) Timber into timber products or wood products; or (ii) timber products into other timber products or wood products; as to such persons the amount of the tax with respect to the business is, in the case of manufacturers, equal to the value of products, including byproducts, manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.
- (c) Until July 1, 2024, upon every person engaging within this state in the business of selling at wholesale: (i) Timber extracted by that person; (ii) timber products manufactured by that person from timber or other timber products; or (iii) wood products manufactured by that person from timber or timber products; as to such persons the amount of the tax with respect to the business is equal to the gross proceeds of sales of the timber, timber products, or wood products multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.
- (d) Until July 1, 2024, upon every person engaging within this state in the business of selling standing timber; as to such persons the amount of the tax with respect to the business is equal to the gross income of the business multiplied by the rate of 0.2904 percent. For purposes of this subsection (12)(d), "selling standing timber" means the sale of timber apart from the land, where the buyer is required to sever the timber within thirty months from the date of the original contract, regardless of the method of payment for the timber and whether title to the timber transfers before, upon, or after severance.
 - (e) For purposes of this subsection, the following definitions apply:
- (i) "Biocomposite surface products" means surface material products containing, by weight or volume, more than fifty percent recycled paper and that also use nonpetroleumbased phenolic resin as a bonding agent.

- (ii) "Paper and paper products" means products made of interwoven cellulosic fibers held together largely by hydrogen bonding. "Paper and paper products" includes newsprint; office, printing, fine, and pressure-sensitive papers; paper napkins, towels, and toilet tissue; kraft bag, construction, and other kraft industrial papers; paperboard, liquid packaging containers, containerboard, corrugated, and solid-fiber containers including linerboard and corrugated medium; and related types of cellulosic products containing primarily, by weight or volume, cellulosic materials. "Paper and paper products" does not include books, newspapers, magazines, periodicals, and other printed publications, advertising materials, calendars, and similar types of printed materials.
- (iii) "Recycled paper" means paper and paper products having fifty percent or more of their fiber content that comes from postconsumer waste. For purposes of this subsection (12)(e)(iii), "postconsumer waste" means a finished material that would normally be disposed of as solid waste, having completed its life cycle as a consumer item.
- (iv) "Timber" means forest trees, standing or down, on privately or publicly owned land. "Timber" does not include Christmas trees that are cultivated by agricultural methods or short-rotation hardwoods as defined in RCW 84.33.035.
 - (v) "Timber products" means:
- (A) Logs, wood chips, sawdust, wood waste, and similar products obtained wholly from the processing of timber, short-rotation hardwoods as defined in RCW 84.33.035, or both;
- (B) Pulp, including market pulp and pulp derived from recovered paper or paper products; and
- (C) Recycled paper, but only when used in the manufacture of biocomposite surface products.
- (vi) "Wood products" means paper and paper products; dimensional lumber; engineered wood products such as particleboard, oriented strand board, medium density fiberboard, and plywood; wood doors; wood windows; and biocomposite surface products.
- (f) Except for small harvesters as defined in RCW 84.33.035, a person reporting under the tax rate provided in this subsection (12) must file a complete annual survey with the department under RCW 82.32.585.
- (13) Upon every person engaging within this state in inspecting, testing, labeling, and storing canned salmon owned by another person, as to such persons, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.
- (14)(a) Upon every person engaging within this state in the business of printing a newspaper, publishing a newspaper, or both, the amount of tax on such business is equal to the gross income of the business multiplied by the rate of 0.2904 percent.
- (b) A person reporting under the tax rate provided in this subsection (14) must file a complete annual report with the department under RCW 82.32.534.

PART III

Providing a Sales and Use Tax Exemption for Eligible Server Equipment Installed in Certain Data Centers

<u>NEW SECTION.</u> **Sec. 301.** This section is the tax preference performance statement for the sales and use tax exemption contained in sections 302 and 303 of this act. This performance statement is only intended to be used for subsequent evaluation of the tax preferences in sections 302 and 303 of this act. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

- (1) The legislature categorizes this sales and use tax exemption as one intended to improve industry competitiveness, as indicated in RCW 82.32.808(2)(b).
- (2) It is the legislature's specific public policy objective to improve industry competitiveness. It is the legislature's intent to provide a sales and use tax exemption on eligible server equipment and power infrastructure installed in eligible computer data centers, charges made for labor and services rendered in respect to installing eligible server equipment, and for construction, installation, repair, alteration, or improvement of eligible power infrastructures in order to increase investment in data center construction in rural Washington counties, thereby adding real and personal property to state and local property tax rolls, thereby increasing the rural county tax base.
- (3) If a review finds that the rural county tax base is increased as a result of the construction of computer data centers eligible for the sales and use tax exemption in sections 302 and 303 of this act, then the legislature intends to extend the expiration date of the tax preference.
- (4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee may refer to data available from the department of revenue regarding rural county property tax assessments.
- **Sec. 302.** RCW 82.08.986 and 2012 2nd sp.s. c 6 s 302 are each amended to read as follows:
- (1) An exemption from the tax imposed by RCW 82.08.020 is provided for sales to qualifying businesses and to qualifying tenants of eligible server equipment to be installed, without intervening use, in an eligible computer data center, and to charges made for labor and services rendered in respect to installing eligible server equipment. The exemption also applies to sales to qualifying businesses and to qualifying tenants of eligible power infrastructure, including labor and services rendered in respect to constructing, installing, repairing, altering, or improving eligible power infrastructure.
- (2)(a) In order to claim the exemption under this section, a qualifying business or a qualifying tenant must submit an application to the department for an exemption certificate. The application must include the information necessary, as required by the department, to determine that a business or tenant qualifies for the exemption under this section. The department must issue exemption certificates to qualifying businesses and qualifying tenants. The department may assign a unique identification number to each exemption certificate issued under this section.

- (b) A qualifying business or a qualifying tenant claiming the exemption under this section must present the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.
- (c) With respect to computer data centers for which the commencement of construction occurs after July 1, 2015, but before July 1, 2019, the exemption provided in this section is limited to no more than eight computer data centers, with total eligible data centers provided under this section limited to twelve from July 1, 2015, through July 1, 2025. Tenants of qualified data centers do not constitute additional data centers under the limit. The exemption is available on a first-in-time basis based on the date the application required under this section is received by the department. Exemption certificates expire two years after the date of issuance, unless construction has been commenced.
- (3)(a) Within six years of the date that the department issued an exemption certificate under this section to a qualifying business or a qualifying tenant with respect to an eligible computer data center, the qualifying business or qualifying tenant must establish that net employment at the eligible computer data center has increased by a minimum of:
 - (i) Thirty-five family wage employment positions; or
- (ii) Three family wage employment positions for each twenty thousand square feet of space or less that is newly dedicated to housing working servers at the eligible computer data center. For qualifying tenants, the number of family wage employment positions that must be increased under this subsection (3)(a)(ii) is based only on the space occupied by the qualifying tenant in the eligible computer data center.
 - (b) In calculating the net increase in family wage employment positions:
- (i) The owner of an eligible computer data center, in addition to its own net increase in family wage employment positions, may include:
- (A) The net increase in family wage employment positions employed by qualifying tenants; and
- (B) The net increase in family wage employment positions described in (c)(ii)(B) of this subsection (3).
- (ii)(A) Qualifying tenants, in addition to their own net increase in family wage employment positions, may include:
- (I) A portion of the net increase in family wage employment positions employed by the owner; and
- (II) A portion of the net increase in family wage employment positions described in (c)(ii)(B) of this subsection (3).
- (B) The portion of the net increase in family wage employment positions to be counted under this subsection (3)(b)(ii) by each qualifying tenant must be in proportion to the amount of space in the eligible computer data center occupied by the qualifying tenant compared to the total amount of space in the eligible computer data center occupied by all qualifying tenants.
- (c)(i) For purposes of this subsection, family wage employment positions are new permanent employment positions requiring forty hours of weekly work, or their equivalent, on a full-time basis at the eligible computer data center and receiving a wage equivalent to or greater than one hundred fifty percent of the per capita personal income of the county in which the qualified project is located. An employment position may not be counted as a family wage

employment position unless the employment position is entitled to health insurance coverage provided by the employer of the employment position. For purposes of this subsection (3)(c), "new permanent employment position" means an employment position that did not exist or that had not previously been filled as of the date that the department issued an exemption certificate to the owner or qualifying tenant of an eligible computer data center, as the case may be.

- (ii)(A) Family wage employment positions include positions filled by employees of the owner of the eligible computer data center and by employees of qualifying tenants.
- (B) Family wage employment positions also include individuals performing work at an eligible computer data center as an independent contractor hired by the owner of the eligible computer data center or as an employee of an independent contractor hired by the owner of the eligible computer data center, if the work is necessary for the operation of the computer data center, such as security and building maintenance, and provided that all of the requirements in (c)(i) of this subsection (3) are met.
- (d) All previously exempted sales and use taxes are immediately due and payable for a qualifying business or qualifying tenant that does not meet the requirements of this subsection.
- (4) A qualifying business or a qualifying tenant claiming an exemption under this section or RCW 82.12.986 must complete an annual report with the department as required under RCW 82.32.534.
 - (5)(a) The exemption provided in this section does not apply to:
- (i) Any person who has received the benefit of the deferral program under chapter 82.60 RCW on: (A) The construction, renovation, or expansion of a structure or structures used as a computer data center; or (B) machinery or equipment used in a computer data center; and
- (ii) Any person affiliated with a person within the scope of (a)(i) of this subsection (5).
- (b) If a person claims an exemption under this section and subsequently receives the benefit of the deferral program under chapter 82.60 RCW on either the construction, renovation, or expansion of a structure or structures used as a computer data center or machinery or equipment used in a computer data center, the person must repay the amount of taxes exempted under this section. Interest as provided in chapter 82.32 RCW applies to amounts due under this section until paid in full.
- (6) ((For purposes of this section the following definitions apply)) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise((÷)).
- (a) "Affiliated" means that one person has a direct or indirect ownership interest of at least twenty percent in another person.
- (b) "Building" means a fully enclosed structure with a weather resistant exterior wall envelope or concrete or masonry walls designed in accordance with the requirements for structures under chapter 19.27 RCW. This definition of "building" only applies to computer data centers for which commencement of construction occurs on or after July 1, 2015.
- (c)(i) "Computer data center" means a facility comprised of one or more buildings, which may be comprised of multiple businesses, constructed or refurbished specifically, and used primarily, to house working servers, where the

facility has the following characteristics: (A) Uninterruptible power supplies, generator backup power, or both; (B) sophisticated fire suppression and prevention systems; and (C) enhanced physical security, such as: Restricted access to the facility to selected personnel; permanent security guards; video camera surveillance; an electronic system requiring passcodes, keycards, or biometric scans, such as hand scans and retinal or fingerprint recognition; or similar security features.

- (ii) For a computer data center comprised of multiple buildings, each separate building constructed or refurbished specifically, and used primarily, to house working servers is considered a computer data center if it has all of the characteristics listed in (((b))) (c)(i)(A) through (C) of this subsection (6).
- (iii) A facility comprised of one building or more than one building must have a combined square footage of at least one hundred thousand square feet.
- (((e))) (d) "Electronic data storage and data management services" include, but are not limited to: Providing data storage and backup services, providing computer processing power, hosting enterprise software applications, and hosting web sites. The term also includes providing services such as e-mail, web browsing and searching, media applications, and other online services, regardless of whether a charge is made for such services.
 - $((\frac{d}{d}))$ (e)(i) "Eligible computer data center" means a computer data center:
 - (A) Located in a rural county as defined in RCW 82.14.370;
- (B) Having at least twenty thousand square feet dedicated to housing working servers, where the server space has not previously been dedicated to housing working servers; and
 - (C) For which the commencement of construction occurs:
 - (I) After March 31, 2010, and before July 1, 2011; ((or))
 - (II) After March 31, 2012, and before July 1, 2015; or
 - (III) After June 30, 2015, and before July 1, 2025.
- (ii) For purposes of this section, "commencement of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for construction of the computer data center. The construction of a computer data center includes the expansion, renovation, or other improvements made to existing facilities, including leased or rented space. "Commencement of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities that are initiated before the issuance of a building permit for the construction of the foundation of a computer data center.
- (iii) With respect to facilities in existence on April 1, 2010, that are expanded, renovated, or otherwise improved after March 31, 2010, or facilities in existence on April 1, 2012, that are expanded, renovated, or otherwise improved after March 31, 2012, or facilities in existence on July 1, 2015, that are expanded, renovated, or otherwise improved after June 30, 2015, an eligible computer data center includes only the portion of the computer data center meeting the requirements in (((d))) (e)(i)(B) of this subsection (6).
- (((e))) (f) "Eligible power infrastructure" means all fixtures and equipment owned by a qualifying business or qualifying tenant and necessary for the transformation, distribution, or management of electricity that is required to operate eligible server equipment within an eligible computer data center. The term includes generators; wiring; cogeneration equipment; and associated

fixtures and equipment, such as electrical switches, batteries, and distribution, testing, and monitoring equipment. The term does not include substations.

- $((\underbrace{f}))$ (g) "Eligible server equipment" means:
- (i) For a qualifying business whose computer data center qualifies as an eligible computer data center under $(((\frac{d}{d})))$ (e)(i)(C)(I) of this subsection (6), the original server equipment installed in an eligible computer data center on or after April 1, 2010, and replacement server equipment. For purposes of this subsection (6)(((f))) (g)(i), "replacement server equipment" means server equipment that:
- (A) Replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986; and
 - (B) Is installed and put into regular use before April 1, 2018.
- (ii) For a qualifying business whose computer data center qualifies as an eligible computer data center under $(((\frac{1}{2})))$ (e)(i)(C)(II) of this subsection (6), "eligible server equipment" means the original server equipment installed in an eligible computer data center on or after April 1, 2012, and replacement server equipment. For purposes of this subsection $(6)(((\frac{1}{2})))$ (g)(ii), "replacement server equipment" means server equipment that:
- (A) Replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986; and
 - (B) Is installed and put into regular use before April 1, ((2020)) 2024.
- (iii)(A) For a qualifying business whose computer data center qualifies as an eligible computer data center under (e)(i)(C)(III) of this subsection (6), "eligible server equipment" means the original server equipment installed in a building within an eligible computer data center on or after July 1, 2015, and replacement server equipment. Server equipment installed in movable or fixed stand-alone, prefabricated, or modular units, including intermodal shipping containers, is not "directly installed in a building." For purposes of this subsection (6)(g)(iii)(A), "replacement server equipment" means server equipment that replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986; and
- (B) Is installed and put into regular use no later than twelve years after the date of the certificate of occupancy.
- (iv) For a qualifying tenant who leases space within an eligible computer data center, "eligible server equipment" means the original server equipment installed within the space it leases from an eligible computer data center on or after April 1, 2010, and replacement server equipment. For purposes of this subsection (6)((f(iii))) (g)(iv), "replacement server equipment" means server equipment that:
- (A) Replaces existing server equipment, if the sale or use of the server equipment to be replaced qualified for an exemption under this section or RCW 82.12.986; ((and))
 - (B) Is installed and put into regular use before April 1, ((2020)) 2024; and
- (C) For tenants leasing space in an eligible computer data center built after July 1, 2015, is installed and put into regular use no later than twelve years after the date of the certificate of occupancy.

- (((g))) (h) "Qualifying business" means a business entity that exists for the primary purpose of engaging in commercial activity for profit and that is the owner of an eligible computer data center. The term does not include the state or federal government or any of their departments, agencies, and institutions; tribal governments; political subdivisions of this state; or any municipal, quasimunicipal, public, or other corporation created by the state or federal government, tribal government, municipality, or political subdivision of the state.
- (((h))) (i) "Qualifying tenant" means a business entity that exists for the primary purpose of engaging in commercial activity for profit and that leases space from a qualifying business within an eligible computer data center. The term does not include the state or federal government or any of their departments, agencies, and institutions; tribal governments; political subdivisions of this state; or any municipal, quasi-municipal, public, or other corporation created by the state or federal government, tribal government, municipality, or political subdivision of the state. The term also does not include a lessee of space in an eligible computer data center under (((d))) (e)(i)(C)(I) of this subsection (6), if the lessee and lessor are affiliated and:
- (i) That space will be used by the lessee to house server equipment that replaces server equipment previously installed and operated in that eligible computer data center by the lessor or another person affiliated with the lessee; or
- (ii) Prior to May 2, 2012, the primary use of the server equipment installed in that eligible computer data center was to provide electronic data storage and data management services for the business purposes of either the lessor, persons affiliated with the lessor, or both.
- (((i))) (j) "Server equipment" means the computer hardware located in an eligible computer data center and used exclusively to provide electronic data storage and data management services for internal use by the owner or lessee of the computer data center, for clients of the owner or lessee of the computer data center, or both. "Server equipment" also includes computer software necessary to operate the computer hardware. "Server equipment" does not include personal computers, the racks upon which the server equipment is installed, and computer peripherals such as keyboards, monitors, printers, and mice.

(((7) This section expires April 1, 2020.))

- Sec. 303. RCW 82.12.986 and 2012 2nd sp.s. c 6 s 304 are each amended to read as follows:
- (1) An exemption from the tax imposed by RCW 82.12.020 is provided for the use by qualifying businesses or qualifying tenants of eligible server equipment to be installed, without intervening use, in an eligible computer data center, and to the use of labor and services rendered in respect to installing such server equipment. The exemption also applies to the use by a qualifying business or qualifying tenant of eligible power infrastructure, including labor and services rendered in respect to installing, repairing, altering, or improving such infrastructure.
- (2) A qualifying business or a qualifying tenant is not eligible for the exemption under this section unless the department issued an exemption certificate to the qualifying business or a qualifying tenant for the exemption provided in RCW 82.08.986.
 - (3)(a) The exemption provided in this section does not apply to:

- (i) Any person who has received the benefit of the deferral program under chapter 82.60 RCW on: (A) The construction, renovation, or expansion of a structure or structures used as a computer data center; or (B) machinery or equipment used in a computer data center; and
- (ii) Any person affiliated with a person within the scope of (a)(i) of this subsection (3).
- (b) If a person has received the benefit of the exemption under this section and subsequently receives the benefit of the deferral program under chapter 82.60 RCW on either the construction, renovation, or expansion of a structure or structures used as a computer data center or machinery or equipment used in a computer data center, the person must repay the amount of taxes exempted under this section. Interest as provided in chapter 82.32 RCW applies to amounts due under this subsection (3)(b) until paid in full. A person is not required to repay taxes under this subsection with respect to property and services for which the person is required to repay taxes under RCW 82.08.986(5).
- (4) The definitions and requirements in RCW 82.08.986 apply to this section.

(((5) This section expires April 1, 2020.))

PART IV

Creating a Pilot Program that Provides Incentives for Investments in Washington State Job Creation and Economic Development

<u>NEW SECTION.</u> **Sec. 401.** (1) Businesses that invest capital create jobs and generate economic activity that supports a healthy Washington economy. The legislature finds that these investments result in future revenues that support schools and our communities. Therefore, the legislature finds that a pilot program must be conducted to evaluate the effectiveness of a program that invests business taxes from new investments into workforce training programs that support manufacturing businesses in the state of Washington thereby creating jobs and capital investments in the state for the benefit of its citizens.

- (2)(a) This subsection is the tax preference performance statement for the sales and use tax deferral provided in section 404 of this act on expenditures made to build or expand qualified investment projects and purchases of machinery and equipment. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.
- (b) The legislature categorizes the tax preference as one intended to create or retain jobs and to provide funding to support job readiness training, professional development, or apprenticeship programs in manufacturing or production occupations, as indicated in RCW 82.32.808(2) (c) and (f).
- (c) It is the legislature's specific public policy objective to provide a pilot program that would provide a sales tax deferral on the construction and expenditure costs of up to five new manufacturing facilities, two of which must be located in eastern Washington. When deferred taxes are repaid, the deferred taxes are reinvested to support job readiness training, professional development, or apprenticeship programs in manufacturing or production occupations.

(d) To measure the effectiveness of the deferral provided in this part in achieving the specific public policy objective described in (c) of this subsection, the joint legislative audit and review committee should refer to information available from the employment security department and department of revenue. If a review finds that each eligible investment project generated at least twenty full-time jobs and increased training opportunities for manufacturing and production jobs, then the legislature intends for the legislative auditor to recommend extending the expiration date of the tax preference. For purposes of this subsection (2)(d), full-time jobs includes both temporary construction jobs and permanent full-time employment positions created at the eligible investment project within one year of the date that the facility became operationally complete as determined by the department of revenue.

<u>NEW SECTION.</u> **Sec. 402.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Applicant" means a person applying for a tax deferral under this chapter.
- (2) "Eligible investment project" means an investment project for qualified buildings and machinery and equipment on five new, renovated, or expanded manufacturing operations, at least two of which must be located east of the crest of the Cascade mountains. The deferral provided in this section only applies to the state and local sales and use taxes due on the first ten million dollars in costs for qualified buildings and machinery and equipment.
 - (3) "Initiation of construction" has the same meaning as in RCW 82.63.010.
- (4) "Investment project" means an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project.
 - (5) "Manufacturing" has the same meaning as provided in RCW 82.04.120.
 - (6) "Person" has the same meaning as provided in RCW 82.04.030.
- (7) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity, used for manufacturing, including plant offices and warehouses or other buildings for the storage of raw material or finished goods if such facilities are an essential or an integral part of a factory, mill, plant, or laboratory used for manufacturing. If a qualified building is used partly for manufacturing and partly for other purposes, the applicable tax deferral must be determined by apportionment of the costs of construction under rules adopted by the department.
- (8) "Qualified machinery and equipment" means all new industrial fixtures, equipment, and support facilities that are an integral and necessary part of a manufacturing operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control, monitor, or operate the machinery.
 - (9) "Recipient" means a person receiving a tax deferral under this chapter.

<u>NEW SECTION.</u> **Sec. 403.** The lessor or owner of a qualified building is not eligible for a deferral unless:

- (1) The underlying ownership of the building, machinery, and equipment vests exclusively in the same person; or
- (2)(a) The lessor by written contract agrees to pass the economic benefit of the deferral to the lessee;
- (b) The lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the annual survey required under RCW 82.32.585; and
- (c) The economic benefit of the deferral passed to the lessee is no less than the amount of tax deferred by the lessor and is evidenced by written documentation of any type of payment, credit, or other financial arrangement between the lessor or owner of the qualified building and the lessee.
- <u>NEW SECTION.</u> **Sec. 404.** (1) Application for deferral of taxes under this chapter must be made before initiation of the construction of the investment project or acquisition of equipment or machinery. The application must be made to the department in a form and manner prescribed by the department. The deferrals are available on a first-in-time basis. The application must contain information regarding the location of the investment project, the applicant's average employment in the state for the prior year, estimated or actual new employment related to the project, estimated or actual wages of employees related to the project, estimated or actual costs, time schedules for completion and operation, and other information required by the department. The department must rule on the application within sixty days.
- (2) The department may not approve applications for more than five eligible investment projects.
- <u>NEW SECTION.</u> **Sec. 405.** (1) Except as otherwise provided in subsection (2) of this section, the department must issue a sales and use tax deferral certificate for state and local sales and use taxes due under chapters 82.08, 82.12, 82.14, and 81.104 RCW on each eligible investment project.
- (2) No certificate may be issued for an investment project that has already received a deferral under this part or chapter 82.60 RCW.
- (3) The department must keep a running total of all deferrals granted under this chapter during each fiscal biennium.
- <u>NEW SECTION.</u> **Sec. 406.** (1) The recipient must begin paying the deferred taxes in the fifth year after the date certified by the department as the date on which the investment project has been operationally completed. The first payment of ten percent of the deferred taxes will be due on December 31st of the fifth calendar year after such certified date, with subsequent annual payments of ten percent of the deferred taxes due on December 31st for each of the following nine years.
- (2) The department may authorize an accelerated repayment schedule upon request of the recipient.
- (3) Interest may not be charged on any taxes deferred under this chapter for the period of deferral, although all other penalties and interest applicable to delinquent excise taxes may be assessed and imposed for delinquent payments under this chapter. The debt for deferred taxes will not be extinguished by insolvency or other failure of the recipient. Transfer of ownership does not terminate the deferral. The deferral is transferred, subject to the successor

meeting the eligibility requirements of this chapter, for the remaining periods of the deferral.

<u>NEW SECTION</u>. **Sec. 407.** (1) State taxes deferred and repaid under this chapter, including any interest or penalties on such amounts, must be deposited in the invest in Washington account created in this section. The invest in Washington account is hereby created in the state treasury must be used exclusively by the state board for community and technical colleges for supporting customized training programs, job skills programs, job readiness training, workforce professional development, and to assist employers with state-approved apprenticeship programs for manufacturing and production occupations.

- (2) Revenues to the invest in Washington account consist of amounts transferred by the state treasurer as provided in subsection (3) of this section.
- (3) By June 1, 2016, and by June 1st of every subsequent year, the department must notify the state treasurer of the amount of tax, interest, and penalties collected under this section since the effective date of this chapter through May 1, 2016, in the case of the first notification under this subsection (3), and since the previous May 1st for subsequent notifications under this subsection (3). The department may make adjustments to the annual notification under this subsection (3) as may be necessary to correct errors in the previous notification or offset previous amounts that did not qualify for deferral under this section.
- (4) By July 1, 2016, and by July 1st of every subsequent year, the state treasurer must transfer the amount included in the department's most recent notification under subsection (3) of this section from the general fund to the invest in Washington account. Money in the account may only be appropriated for the purposes specified in subsection (1) of this section.

<u>NEW SECTION.</u> **Sec. 408.** (1) Each recipient of a deferral of taxes granted under this chapter must file a complete annual survey with the department under RCW 82.32.585. If the economic benefits of the deferral are passed to a lessee as provided in section 403 of this act, the lessee must file a complete annual survey, and the applicant is not required to file a complete annual survey.

- (2) If, on the basis of a survey under RCW 82.32.585 or other information, the department finds that an investment project is not eligible for tax deferral under this chapter due to the fact the investment project is no longer used for qualified activities, the amount of deferred taxes outstanding for the investment project is immediately due and payable.
- (3) If the economic benefits of a tax deferral under this chapter are passed to a lessee as provided in section 403 of this act, the lessee is responsible for payment to the extent the lessee has received the economic benefit.

<u>NEW SECTION.</u> **Sec. 409.** This part may be known and cited as the invest in Washington act.

<u>NEW SECTION.</u> **Sec. 410.** Sections 401 through 408 of this act constitute a new chapter in Title 82 RCW.

<u>NEW SECTION.</u> **Sec. 411.** The expiration provisions of RCW 82.32.805(1)(a) do not apply to sections 406 through 409 of this act.

PART V Continuing Tax Preferences for Aluminum Smelters

<u>NEW SECTION.</u> **Sec. 501.** (1) The legislature finds that the aluminum industry in Washington employs over one thousand people. The legislature further finds that average annual wages and benefits for these employment positions exceed one hundred thousand dollars and that each of these employment positions indirectly generates an additional two to three jobs within the state. The legislature further finds that the aluminum industry generates substantial taxes for local jurisdictions. The legislature further finds that the aluminum industry was severely impacted by the global economic recession. The legislature further finds that the London metal exchange, where aluminum is traded as a commodity, is extremely volatile and substantially impacts the profitability of the aluminum industry. The legislature further finds that for the aforementioned reasons, the industry continues to struggle with profitability, putting the continued employment of its Washington workforce in jeopardy.

- (2)(a) This subsection is the tax preference performance statement for the aluminum industry tax preferences in RCW 82.04.2909, 82.04.4481, 82.08.805, 82.12.805, and 82.12.022, as amended in this Part V. The performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.
- (b) The legislature categorizes this tax preference as one intended to accomplish the general purposes indicated in RCW 82.32.808(2) (c) and (d).
- (c) It is the legislature's specific public policy objective to promote the preservation of employment positions within the Washington aluminum manufacturing industry as the industry continues to grapple with the lingering effects of the economic recession and the volatility of the London metal exchange.
- (d) To measure the effectiveness of the exemption provided in this Part V in achieving the specific public policy objective described in (c) of this subsection, the joint legislative audit and review committee must evaluate the changes in the number of statewide employment positions for the aluminum industry in Washington.
- **Sec. 502.** RCW 82.04.2909 and 2011 c 174 s 301 are each amended to read as follows:
- (1) Upon every person who is an aluminum smelter engaging within this state in the business of manufacturing aluminum; as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of .2904 percent.
- (2) Upon every person who is an aluminum smelter engaging within this state in the business of making sales at wholesale of aluminum manufactured by that person, as to such persons the amount of tax with respect to such business is equal to the gross proceeds of sales of the aluminum multiplied by the rate of .2904 percent.
- (3) A person reporting under the tax rate provided in this section must file a complete annual report with the department under RCW 82.32.534.

- (4) This section expires January 1, ((2017)) 2027.
- **Sec. 503.** RCW 82.04.4481 and 2011 c 174 s 302 are each amended to read as follows:
- (1) In computing the tax imposed under this chapter, a credit is allowed for all property taxes paid during the calendar year on property owned by a direct service industrial customer and reasonably necessary for the purposes of an aluminum smelter.
- (2) A person claiming the credit under this section is subject to all the requirements of chapter 82.32 RCW. A credit earned during one calendar year may be carried over to be credited against taxes incurred in the subsequent calendar year, but may not be carried over a second year. Credits carried over must be applied to tax liability before new credits. No refunds may be granted for credits under this section.
- (3) Credits may not be claimed under this section for property taxes levied for collection in ((2017)) 2027 and thereafter.
- (4) A person claiming the credit provided in this section must file a complete annual report with the department under RCW 82.32.534.
- **Sec. 504.** RCW 82.08.805 and 2011 c 174 s 303 are each amended to read as follows:
- (1) A person who has paid tax under RCW 82.08.020 for personal property used at an aluminum smelter, tangible personal property that will be incorporated as an ingredient or component of buildings or other structures at an aluminum smelter, or for labor and services rendered with respect to such buildings, structures, or personal property, is eligible for an exemption from the state share of the tax in the form of a credit, as provided in this section. A person claiming an exemption must pay the tax and may then take a credit equal to the state share of retail sales tax paid under RCW 82.08.020. The person must submit information, in a form and manner prescribed by the department, specifying the amount of qualifying purchases or acquisitions for which the exemption is claimed and the amount of exempted tax.
- (2) For the purposes of this section, "aluminum smelter" has the same meaning as provided in RCW 82.04.217.
- (3) A person claiming the tax preference provided in this section must file a complete annual report with the department under RCW 82.32.534.
- (4) Credits may not be claimed under this section for taxable events occurring on or after January 1, ((2017)) 2027.
- **Sec. 505.** RCW 82.12.805 and 2011 c 174 s 305 are each amended to read as follows:
- (1) A person who is subject to tax under RCW 82.12.020 for personal property used at an aluminum smelter, or for tangible personal property that will be incorporated as an ingredient or component of buildings or other structures at an aluminum smelter, or for labor and services rendered with respect to such buildings, structures, or personal property, is eligible for an exemption from the state share of the tax in the form of a credit, as provided in this section. The amount of the credit equals the state share of use tax computed to be due under RCW 82.12.020. The person must submit information, in a form and manner prescribed by the department, specifying the amount of qualifying purchases or

acquisitions for which the exemption is claimed and the amount of exempted tax.

- (2) For the purposes of this section, "aluminum smelter" has the same meaning as provided in RCW 82.04.217.
- (3) A person reporting under the tax rate provided in this section must file a complete annual report with the department under RCW 82.32.534.
- (4) Credits may not be claimed under this section for taxable events occurring on or after January 1, ((2017)) 2027.
- **Sec. 506.** RCW 82.12.022 and 2014 c 216 s 304 are each amended to read as follows:
- (1) A use tax is levied on every person in this state for the privilege of using natural gas or manufactured gas, including compressed natural gas and liquefied natural gas, within this state as a consumer.
- (2) The tax must be levied and collected in an amount equal to the value of the article used by the taxpayer multiplied by the rate in effect for the public utility tax on gas distribution businesses under RCW 82.16.020. The "value of the article used" does not include any amounts that are paid for the hire or use of a gas distribution business as defined in RCW 82.16.010(2) in transporting the gas subject to tax under this subsection if those amounts are subject to tax under that chapter.
- (3) The tax levied in this section does not apply to the use of natural or manufactured gas delivered to the consumer by other means than through a pipeline.
- (4) The tax levied in this section does not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid a tax under RCW 82.16.020 with respect to the gas for which exemption is sought under this subsection.
- (5)(a) The tax levied in this section does not apply to the use of natural or manufactured gas by an aluminum smelter as that term is defined in RCW 82.04.217 before January 1, ((2017)) 2027.
- (b) A person claiming the exemption provided in this subsection (5) must file a complete annual report with the department under RCW 82.32.534.
- (6) The tax imposed by this section does not apply to the use of natural gas, compressed natural gas, or liquefied natural gas, if the consumer uses the gas for transportation fuel as defined in RCW 82.16.310.
- (7) There is a credit against the tax levied under this section in an amount equal to any tax paid by:
- (a) The person who sold the gas to the consumer when that tax is a gross receipts tax similar to that imposed pursuant to RCW 82.16.020 by another state with respect to the gas for which a credit is sought under this subsection; or
- (b) The person consuming the gas upon which a use tax similar to the tax imposed by this section was paid to another state with respect to the gas for which a credit is sought under this subsection.
- (8) The use tax imposed in this section must be paid by the consumer to the department.
- (9) There is imposed a reporting requirement on the person who delivered the gas to the consumer to make a quarterly report to the department. Such report must contain the volume of gas delivered, name of the consumer to whom delivered, and such other information as the department may require by rule.

(10) The department may adopt rules under chapter 34.05 RCW for the administration and enforcement of sections 1 through 6, chapter 384, Laws of 1989.

PART VI

Clarifying the Definition of a Newspaper and Extending the B&O Newspaper Preferential Tax Rate

NEW SECTION. Sec. 601. (1) The legislature finds that over the last fifteen years, technological transformation and other developments have radically changed the newspaper industry business model, which remains in transition. The legislature further finds that the economic hardship wrought by this digital transformation has been substantial. The legislature finds that a strong and vibrant newspaper industry in Washington is beneficial to the state's citizens and to the conduct of good government at every level. The legislature further finds that advertising revenue of all United States newspapers fell from 63.5 billion dollars in 2000 to about twenty-three billion dollars in 2013, and is still falling. The legislature further finds that traditional news organizations' ability to support high quality news gathering and reporting relied primarily on a model in which advertisers paid to reach mass audiences attracted by newspapers. The legislature further finds that advertisers found it advantageous to pay to reach a mass audience because other advertising mediums were limited and less effective. The digital era has greatly fractured traditional spending by advertisers and turned this model on its head such that newspapers continue to require time to adapt so they may continue their public service mission. The legislature also finds that the business and occupation tax rate for the newspaper industry was pegged to the general manufacturing and wholesaling rate from 1937 until 2009, when the legislature extended tax relief to the industry due to this shift. It is the legislature's intent to extend this tax relief to the industry until its revenues and business model have stabilized. It is the legislature's further intent to provide a uniform tax rate for the industry to minimize the burden of reporting state business and occupation taxes for different types of revenue, which often times are impossible to account for separately by the taxpayer.

- (2)(a) This subsection is the tax preference performance statement for the newspaper tax preferences in section 602 of this act. The performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.
- (b) The legislature categorizes this tax preference as one intended to provide temporary tax relief as described in RCW 82.32.808(2)(e).
- (c) It is the legislature's specific public policy objective to provide business and occupation tax relief to the newspaper industry as it continues to adjust to significant revenue shifts and technological changes. As a secondary public policy objective, it is the legislature's intent to provide a permanent uniform rate for the industry.
- (d) To measure the effectiveness of the preference provided in this act in achieving the specific public policy objective described in (c) of this subsection, the joint legislative audit and review committee must evaluate year-to-year

changes in gross revenue derived from all sources for newspaper firms claiming the preferential tax rate under RCW 82.04.260(14). If the average year-to-year change in gross revenue is positive, including the last three years included in the tax preference review by the joint legislative audit and review committee, it is the legislature's intent to allow the tax preference to expire and to reinstate the traditional rate of 0.484 percent.

- (e)(i) The information provided in the annual tax preference accountability report submitted by taxpayers as required by the department of revenue and taxpayer data provided by the department of revenue is intended to provide the informational basis for the evaluation under (d) of this subsection.
- (ii) In addition to the data source described under (e)(i) of this subsection, the joint legislative audit and review committee may use any other data it deems necessary in performing the evaluation under (d) of this subsection.
- **Sec. 602.** RCW 82.04.260 and 2014 c 140 s 6 and 2014 c 140 s 4 are each reenacted and amended to read as follows:
- (1) Upon every person engaging within this state in the business of manufacturing:
- (a) Wheat into flour, barley into pearl barley, soybeans into soybean oil, canola into canola oil, canola meal, or canola by-products, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business is equal to the value of the flour, pearl barley, oil, canola meal, or canola by-product manufactured, multiplied by the rate of 0.138 percent;
- (b) Beginning July 1, 2015, seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; or selling manufactured seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing, to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales, multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state;
- (c)(i) Beginning July 1, 2015, dairy products; or selling dairy products that the person has manufactured to purchasers who either transport in the ordinary course of business the goods out of state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product; as to such persons the tax imposed is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.
 - (ii) For the purposes of this subsection (1)(c), "dairy products" means:
- (A) Products, not including any marijuana-infused product, that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including by-products from the manufacturing of the dairy products, such as whey and casein; and

- (B) Products comprised of not less than seventy percent dairy products that qualify under (c)(ii)(A) of this subsection, measured by weight or volume.
- (iii) The preferential tax rate provided to taxpayers under this subsection (1)(c) does not apply to sales of dairy products on or after July 1, 2023, where a dairy product is used by the purchaser as an ingredient or component in the manufacturing in Washington of a dairy product;
- (d)(i) Beginning July 1, 2015, fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables, or selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.
- (ii) For purposes of this subsection (1)(d), "fruits" and "vegetables" do not include marijuana, useable marijuana, or marijuana-infused products;
- (e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or biodiesel feedstock, as those terms are defined in RCW 82.29A.135; as to such persons the amount of tax with respect to the business is equal to the value of alcohol fuel, biodiesel fuel, or biodiesel feedstock manufactured, multiplied by the rate of 0.138 percent; and
- (f) Wood biomass fuel as defined in RCW 82.29A.135; as to such persons the amount of tax with respect to the business is equal to the value of wood biomass fuel manufactured, multiplied by the rate of 0.138 percent.
- (2) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to such business is equal to the value of the peas split or processed, multiplied by the rate of 0.138 percent.
- (3) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.
- (4) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale only and not at retail; as to such persons the tax imposed is equal to the gross proceeds derived from such sales multiplied by the rate of 0.138 percent.
- (5) Upon every person engaging within this state in the business of acting as a travel agent or tour operator; as to such persons the amount of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.
- (6) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax

with respect to only international activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

- (7) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business is equal to the gross proceeds derived from such activities multiplied by the rate of 0.275 percent. Persons subject to taxation under this subsection are exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee. Specific activities included in this definition are: Wharfage, handling, loading, unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; documentation services in connection with the receipt, delivery, checking, care, custody and control of cargo required in the transfer of cargo; imported automobile handling prior to delivery to consignee; terminal stevedoring and incidental vessel services, including but not limited to plugging and unplugging refrigerator service to containers, trailers, and other refrigerated cargo receptacles, and securing ship hatch covers.
- (8) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW 43.145.010; as to such persons the amount of the tax with respect to such business is equal to the gross income of the business, excluding any fees imposed under chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state must be determined in accordance with the methods of apportionment required under RCW 82.04.460.

- (9) Upon every person engaging within this state as an insurance producer or title insurance agent licensed under chapter 48.17 RCW or a surplus line broker licensed under chapter 48.15 RCW; as to such persons, the amount of the tax with respect to such licensed activities is equal to the gross income of such business multiplied by the rate of 0.484 percent.
- (10) Upon every person engaging within this state in business as a hospital, as defined in chapter 70.41 RCW, that is operated as a nonprofit corporation or by the state or any of its political subdivisions, as to such persons, the amount of tax with respect to such activities is equal to the gross income of the business multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5 percent thereafter.
- (11)(a) Beginning October 1, 2005, upon every person engaging within this state in the business of manufacturing commercial airplanes, or components of

such airplanes, or making sales, at retail or wholesale, of commercial airplanes or components of such airplanes, manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of:

- (i) 0.4235 percent from October 1, 2005, through June 30, 2007; and
- (ii) 0.2904 percent beginning July 1, 2007.
- (b) Beginning July 1, 2008, upon every person who is not eligible to report under the provisions of (a) of this subsection (11) and is engaging within this state in the business of manufacturing tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes, or making sales, at retail or wholesale, of such tooling manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, be equal to the gross income of the business, multiplied by the rate of 0.2904 percent.
- (c) For the purposes of this subsection (11), "commercial airplane" and "component" have the same meanings as provided in RCW 82.32.550.
- (d) In addition to all other requirements under this title, a person reporting under the tax rate provided in this subsection (11) must file a complete annual report with the department under RCW 82.32.534.
- (e)(i) Except as provided in (e)(ii) of this subsection (11), this subsection (11) does not apply on and after July 1, 2040.
- (ii) With respect to the manufacturing of commercial airplanes or making sales, at retail or wholesale, of commercial airplanes, this subsection (11) does not apply on and after July 1st of the year in which the department makes a determination that any final assembly or wing assembly of any version or variant of a commercial airplane that is the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850 has been sited outside the state of Washington. This subsection (11)(e)(ii) only applies to the manufacturing or sale of commercial airplanes that are the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850.
- (12)(a) Until July 1, 2024, upon every person engaging within this state in the business of extracting timber or extracting for hire timber; as to such persons the amount of tax with respect to the business is, in the case of extractors, equal to the value of products, including by-products, extracted, or in the case of extractors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.
- (b) Until July 1, 2024, upon every person engaging within this state in the business of manufacturing or processing for hire: (i) Timber into timber products or wood products; or (ii) timber products into other timber products or wood products; as to such persons the amount of the tax with respect to the business is, in the case of manufacturers, equal to the value of products, including byproducts, manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1,

2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.

- (c) Until July 1, 2024, upon every person engaging within this state in the business of selling at wholesale: (i) Timber extracted by that person; (ii) timber products manufactured by that person from timber or other timber products; or (iii) wood products manufactured by that person from timber or timber products; as to such persons the amount of the tax with respect to the business is equal to the gross proceeds of sales of the timber, timber products, or wood products multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2024.
- (d) Until July 1, 2024, upon every person engaging within this state in the business of selling standing timber; as to such persons the amount of the tax with respect to the business is equal to the gross income of the business multiplied by the rate of 0.2904 percent. For purposes of this subsection (12)(d), "selling standing timber" means the sale of timber apart from the land, where the buyer is required to sever the timber within thirty months from the date of the original contract, regardless of the method of payment for the timber and whether title to the timber transfers before, upon, or after severance.
 - (e) For purposes of this subsection, the following definitions apply:
- (i) "Biocomposite surface products" means surface material products containing, by weight or volume, more than fifty percent recycled paper and that also use nonpetroleumbased phenolic resin as a bonding agent.
- (ii) "Paper and paper products" means products made of interwoven cellulosic fibers held together largely by hydrogen bonding. "Paper and paper products" includes newsprint; office, printing, fine, and pressure-sensitive papers; paper napkins, towels, and toilet tissue; kraft bag, construction, and other kraft industrial papers; paperboard, liquid packaging containers, containerboard, corrugated, and solid-fiber containers including linerboard and corrugated medium; and related types of cellulosic products containing primarily, by weight or volume, cellulosic materials. "Paper and paper products" does not include books, newspapers, magazines, periodicals, and other printed publications, advertising materials, calendars, and similar types of printed materials.
- (iii) "Recycled paper" means paper and paper products having fifty percent or more of their fiber content that comes from postconsumer waste. For purposes of this subsection (12)(e)(iii), "postconsumer waste" means a finished material that would normally be disposed of as solid waste, having completed its life cycle as a consumer item.
- (iv) "Timber" means forest trees, standing or down, on privately or publicly owned land. "Timber" does not include Christmas trees that are cultivated by agricultural methods or short-rotation hardwoods as defined in RCW 84.33.035.
 - (v) "Timber products" means:
- (A) Logs, wood chips, sawdust, wood waste, and similar products obtained wholly from the processing of timber, short-rotation hardwoods as defined in RCW 84.33.035, or both;
- (B) Pulp, including market pulp and pulp derived from recovered paper or paper products; and
- (C) Recycled paper, but only when used in the manufacture of biocomposite surface products.

- (vi) "Wood products" means paper and paper products; dimensional lumber; engineered wood products such as particleboard, oriented strand board, medium density fiberboard, and plywood; wood doors; wood windows; and biocomposite surface products.
- (f) Except for small harvesters as defined in RCW 84.33.035, a person reporting under the tax rate provided in this subsection (12) must file a complete annual survey with the department under RCW 82.32.585.
- (13) Upon every person engaging within this state in inspecting, testing, labeling, and storing canned salmon owned by another person, as to such persons, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.
- (14)(a) Upon every person engaging within this state in the business of printing a newspaper, publishing a newspaper, or both, the amount of tax on such business is equal to the gross income of the business multiplied by the rate of ((0.2904 percent)) 0.35 percent until July 1, 2024, and 0.484 percent thereafter.
- (b) A person reporting under the tax rate provided in this subsection (14) must file a complete annual report with the department under RCW 82.32.534.

<u>NEW SECTION.</u> **Sec. 603.** 2012 2nd sp.s. c 6 s 704 (uncodified) is amended to read as follows:

((Part VI)) Section 602 of this act expires July 1, 2015.

PART VII

Providing a Reduced Public Utility Tax for Log Transportation Businesses

- <u>NEW SECTION.</u> **Sec. 701.** This section is the tax preference performance statement for the tax preference contained in sections 702 and 703 of this act. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.
- (1) The legislature categorizes this tax preference as one intended to provide tax relief for certain businesses or individuals, as indicated in RCW 82.32.808(2)(e).
- (2) It is the legislature's specific public policy objective to support the forest products industry due in part to the industry's efforts to support the local economy by focusing on Washington state based resources thereby reducing global environmental impacts through the manufacturing and use of wood. It is the legislature's intent to provide the forest products industry permanent tax relief by lowering the public utility tax rate attributable to log transportation businesses. Because this reduced public utility rate is intended to be permanent, the reduced rate established in this Part VII is not subject to the ten-year expiration provision in RCW 82.32.805(1)(a).
- **Sec. 702.** RCW 82.16.010 and 2009 c 535 s 1110 are each reenacted and amended to read as follows:

For the purposes of this chapter, unless otherwise required by the context:

(1) "Express business" means the business of carrying property for public hire on the line of any common carrier operated in this state, when such common carrier is not owned or leased by the person engaging in such business.

- (2) "Gas distribution business" means the business of operating a plant or system for the production or distribution for hire or sale of gas, whether manufactured or natural.
- (3) "Gross income" means the value proceeding or accruing from the performance of the particular public service or transportation business involved, including operations incidental thereto, but without any deduction on account of the cost of the commodity furnished or sold, the cost of materials used, labor costs, interest, discount, delivery costs, taxes, or any other expense whatsoever paid or accrued and without any deduction on account of losses.
- (4) "Light and power business" means the business of operating a plant or system for the generation, production or distribution of electrical energy for hire or sale and/or for the wheeling of electricity for others.
- (5) "Log transportation business" means the business of transporting logs by truck, except when such transportation meets the definition of urban transportation business or occurs exclusively upon private roads.
- (6) "Motor transportation business" means the business (except urban transportation business) of operating any motor propelled vehicle by which persons or property of others are conveyed for hire, and includes, but is not limited to, the operation of any motor propelled vehicle as an auto transportation company (except urban transportation business), common carrier, or contract carrier as defined by RCW 81.68.010 and 81.80.010. However, "motor transportation business" does not mean or include: (a) A log transportation business; or (b) the transportation of logs or other forest products exclusively upon private roads or private highways.
- (((6))) (7)(a) "Public service business" means any of the businesses defined in subsections (1), (2), (4), (((5), (7),)) (6), (8), (9), (((11), and)) (10), (12), and (13) of this section or any business subject to control by the state, or having the powers of eminent domain and the duties incident thereto, or any business hereafter declared by the legislature to be of a public service nature, except telephone business and low-level radioactive waste site operating companies as redefined in RCW 81.04.010. It includes, among others, without limiting the scope hereof: Airplane transportation, boom, dock, ferry, pipe line, toll bridge, toll logging road, water transportation and wharf businesses.
- (b) The definitions in this subsection $(((\frac{6}{6})))$ $(\frac{7}{2})$ (b) apply throughout this subsection $((\frac{6}{2}))$ $(\frac{7}{2})$.
- (i) "Competitive telephone service" has the same meaning as in RCW 82.04.065.
- (ii) "Network telephone service" means the providing by any person of access to a telephone network, telephone network switching service, toll service, or coin telephone services, or the providing of telephonic, video, data, or similar communication or transmission for hire, via a telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. "Network telephone service" includes the provision of transmission to and from the site of an internet provider via a telephone network, toll line or channel, cable, microwave, or similar communication or transmission system. "Network telephone service" does not include the providing of competitive telephone service, the providing of cable television service, the providing of broadcast services by radio or television stations, nor the provision of internet access as

defined in RCW 82.04.297, including the reception of dial-in connection, provided at the site of the internet service provider.

- (iii) "Telephone business" means the business of providing network telephone service. It includes cooperative or farmer line telephone companies or associations operating an exchange.
- (iv) "Telephone service" means competitive telephone service or network telephone service, or both, as defined in (b)(i) and (ii) of this subsection.
- ((((7))) (<u>8)</u> "Railroad business" means the business of operating any railroad, by whatever power operated, for public use in the conveyance of persons or property for hire. It shall not, however, include any business herein defined as an urban transportation business.
- (((8))) (9) "Railroad car business" means the business of operating stock cars, furniture cars, refrigerator cars, fruit cars, poultry cars, tank cars, sleeping cars, parlor cars, buffet cars, tourist cars, or any other kinds of cars used for transportation of property or persons upon the line of any railroad operated in this state when such railroad is not owned or leased by the person engaging in such business.
- $((\frac{(9)}{2}))$ (10) "Telegraph business" means the business of affording telegraphic communication for hire.
- $((\frac{(10)}{)})$ "Tugboat business" means the business of operating tugboats, towboats, wharf boats or similar vessels in the towing or pushing of vessels, barges or rafts for hire.
- (((11))) (12) "Urban transportation business" means the business of operating any vehicle for public use in the conveyance of persons or property for hire, insofar as (a) operating entirely within the corporate limits of any city or town, or within five miles of the corporate limits thereof, or (b) operating entirely within and between cities and towns whose corporate limits are not more than five miles apart or within five miles of the corporate limits of either thereof. Included herein, but without limiting the scope hereof, is the business of operating passenger vehicles of every type and also the business of operating cartage, pickup, or delivery services, including in such services the collection and distribution of property arriving from or destined to a point within or without the state, whether or not such collection or distribution be made by the person performing a local or interstate line-haul of such property.
- $(((\frac{12}{12})))$ (13) "Water distribution business" means the business of operating a plant or system for the distribution of water for hire or sale.
- (((13))) (14) The meaning attributed, in chapter 82.04 RCW, to the term "tax year," "person," "value proceeding or accruing," "business," "engaging in business," "in this state," "within this state," "cash discount" and "successor" shall apply equally in the provisions of this chapter.
- **Sec. 703.** RCW 82.16.020 and 2013 2nd sp.s. c 9 s 7 are each amended to read as follows:
- (1) There is levied and ((there shall be)) collected from every person a tax for the act or privilege of engaging within this state in any one or more of the businesses herein mentioned. The tax ((shall be)) is equal to the gross income of the business, multiplied by the rate set out after the business, as follows:
- (a) Express, sewerage collection, and telegraph businesses: Three and sixtenths percent;
 - (b) Light and power business: Three and sixty-two one-hundredths percent;

- (c) Gas distribution business: Three and six-tenths percent;
- (d) Urban transportation business: Six-tenths of one percent;
- (e) Vessels under sixty-five feet in length, except tugboats, operating upon the waters within the state: Six-tenths of one percent;
- (f) Motor transportation, railroad, railroad car, and tugboat businesses, and all public service businesses other than ones mentioned above: One and eight-tenths of one percent;
 - (g) Water distribution business: Four and seven-tenths percent;
- (h) Log transportation business: One and twenty-eight one- hundredths percent. The reduced rate established in this subsection (1)(h) is not subject to the ten-year expiration provision in RCW 82.32.805(1)(a).
- (2) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section.
- (3) Twenty percent of the moneys collected under subsection (1) of this section on water distribution businesses and sixty percent of the moneys collected under subsection (1) of this section on sewerage collection businesses ((shall)) must be deposited in the education legacy trust account created in RCW 83.100.230 from July 1, 2013, through June 30, 2019, and thereafter in the public works assistance account created in RCW 43.155.050.

PART VIII Increasing Jobs in the Maritime Trades Industry

<u>NEW SECTION.</u> **Sec. 801.** (1)(a) The legislature finds that a robust maritime industry is crucial for the state's economic vitality. The legislature further finds that:

- (i) The joint task force for economic resilience of maritime and manufacturing established policy goals to continue efforts towards developing a robust maritime industry in the state;
- (ii) The maritime industry has a direct and indirect impact on jobs in the state;
- (iii) Many of the cities and towns impacted by the maritime industry are often small with limited resources to encourage economic growth, heavily relying on the maritime industry for local jobs and revenues in the community;
- (iv) Keeping Washington competitive with other cruising destinations is essential to continue to build a robust maritime economy in the state; and
- (v) Tax incentives are an imperative component to improve the state's overall competitiveness in this sector.
 - (b) Therefore, the legislature intends to:
- (i) Bolster the maritime industry in the state by incentivizing larger vessel owners to use Washington waters for recreational boating to increase economic activity and jobs in coastal communities and inland water regions of the state;
- (ii) Achieve this objective in a fiscally responsible manner and require analysis of specific metrics to ensure valuable state resources are being used to accomplish the intended goal; and
- (iii) Provide limited, short-term tax relief to entity-owned nonresident vessel owners that currently are not afforded the same benefits as other nonresident vessel owners.

- (2)(a) This subsection is the tax preference performance statement for the entity-owned nonresident vessel tax preference established in section 803 of this act. The performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.
- (b) The legislature categorizes this tax preference as one intended to accomplish the purposes indicated in RCW 82.32.808(2)(c) and one intended to improve the state's competitiveness with other nearby cruising destinations.
- (c) It is the legislature's specific public policy objective to increase economic activity and jobs related to the maritime industry by providing a tax preference for large entity-owned nonresident vessels to increase the length of time these vessels cruise Washington waters in turn strengthening the maritime economy in the state.
- (d) To measure the effectiveness of the tax preference provided in part XII of this act in achieving the public policy objective in (c) of this subsection, the joint legislative audit and review committee must provide the following in a published evaluation of this tax preference by December 31, 2024:
- (i) A comparison of the gross and taxable revenue generated by businesses that sell or provide maintenance or repair of vessels, prior to and after the enactment of this tax preference;
- (ii) Analysis of retail sales taxes collected from the restaurant and service industries in coastal and inlet coastal jurisdictions, for both counties and cities, for periods prior to and after the enactment of this tax preference;
- (iii) Employment and wage trends for businesses described in (d)(i) and (ii) of this subsection, for periods prior to and after the enactment of this tax preference:
- (iv) Descriptive statistics for the number of permits sold each year in addition to the following information:
 - (A) The cost for each permit by strata of vessel length;
 - (B) The jurisdiction of ownership for the nonresident vessel; and
- (C) The amount of use tax that would have been due based on the estimated value of the vessel;
- (v) A comparison of the number of registered entity-owned and individually owned vessels registered in Washington prior to and after the enactment of this tax preference; and
- (vi) Data and analysis for Washington's main cruising destination competitors, specifically looking at tax preferences provided in those jurisdictions, vessel industry income data, and any additional relevant information to compare Washington's maritime climate with its competitors.
- (e) The provision of RCW 82.32.808(5) does not apply to this tax preference.
- **Sec. 802.** RCW 88.02.620 and 2011 c 171 s 133 are each amended to read as follows:
- (1) A vessel owner who is a nonresident ((natural)) person ((shall apply for)) must obtain a nonresident vessel permit on or before the sixty-first day of use in Washington state if the vessel:
- (a) Is currently registered or numbered under the laws of the state of principal operation or has been issued a valid number under federal law; and

- (b) Has been brought into Washington state for personal use for not more than six months in any continuous twelve-month period.
- (2) <u>In addition to the requirements in subsection (1) of this section, a nonresident vessel owner that is not a natural person may only obtain a nonresident vessel permit if:</u>
- (a) The vessel is at least thirty feet in length, but no more than one hundred sixty-four feet in length;
- (b) No Washington state resident is a principal, as defined in section 805 of this act, of the nonresident person; and
- (c) The department of revenue has provided the nonresident vessel owner written approval authorizing the permit as provided in section 805 of this act.
 - (3) A nonresident vessel permit:
- (a) May be obtained from the department, county auditor or other agent, or subagent appointed by the director;
 - (b) Must show the date the vessel first came into Washington state; ((and))
 - (c) Is valid for two months; and
- (d) May not be issued after December 31, 2025, to a nonresident vessel owner that is not a natural person.
- $((\frac{3}{2}))$ (4) The department, county auditor or other agent, or subagent appointed by the director $(\frac{\text{shall}}{\text{shall}})$ must collect the fee required in RCW 88.02.640(1)(($\frac{\text{shall}}{\text{shall}}$)) when issuing nonresident vessel permits.
- (((44))) (5) A nonresident vessel permit is not required under this section if the vessel is used in conducting temporary business activity within Washington state.
- (((5))) (6) For any permits issued under this section to a nonresident vessel owner that is not a natural person, the department must maintain a record of the following information and provide it to the department of revenue quarterly or as otherwise mutually agreed to by the department and department of revenue:
 - (a) The name of the record owner of the vessel;
 - (b) The vessel's hull identification number;
 - (c) The amount of the fee paid under RCW 88.02.640(5);
 - (d) The date the vessel first entered the waters of this state;
 - (e) The expiration date for the permit; and
- (f) Any other information mutually agreed to by the department and department of revenue.
- (7) The department ((shall)) <u>must</u> adopt rules to implement this section, including rules on issuing and displaying the nonresident vessel permit.
- **Sec. 803.** RCW 88.02.640 and 2013 c 291 s 1 are each amended to read as follows:
- (1) In addition to any other fees and taxes required by law, the department, county auditor or other agent, or subagent appointed by the director ((shall)) must charge the following vessel fees and surcharge:

FEE	AMOUNT	AUTHORITY	DISTRIBUTION
(a) Dealer temporary permit	\$5.00	RCW 88.02.800(2)	General fund

(b) Derelict vessel and invasive species removal	Subsection (3) of this section	Subsection (3) of this section	Subsection (3) of this section
(c) Derelict vessel removal surcharge	\$1.00	Subsection (4) of this section	Subsection (4) of this section
(d) Duplicate certificate of title	\$1.25	RCW 88.02.530(1)(c)	General fund
(e) Duplicate registration	\$1.25	RCW 88.02.590(1)(c)	General fund
(f) Filing	RCW 46.17.005	RCW 88.02.560(2)	RCW 46.68.400
(g) License plate technology	RCW 46.17.015	RCW 88.02.560(2)	RCW 46.68.370
(h) License service	RCW 46.17.025	RCW 88.02.560(2)	RCW 46.68.220
(i) Nonresident vessel permit	((\$25.00)) Subsection (5) of this section	RCW 88.02.620(((3))) <u>(4)</u>	Subsection (5) of this section
(j) Quick title service	\$50.00	RCW 88.02.540(3)	Subsection (7) of this section
(k) Registration	\$10.50	RCW 88.02.560(2)	RCW 88.02.650
(l) Replacement decal	\$1.25	RCW 88.02.595(1)(c)	General fund
(m) Title application	\$5.00	RCW 88.02.515	General fund
(n) Transfer	\$1.00	RCW 88.02.560(7)	General fund
(o) Vessel visitor permit	\$30.00	RCW 88.02.610(3)	Subsection (6) of this section

- (2) The five dollar dealer temporary permit fee required in subsection (1) of this section must be credited to the payment of registration fees at the time application for registration is made.
- (3) The derelict vessel and invasive species removal fee required in subsection (1) of this section is five dollars and must be distributed as follows:
- (a) One dollar and fifty cents must be deposited in the aquatic invasive species prevention account created in RCW 77.12.879;
- (b) One dollar must be deposited into the aquatic algae control account created in RCW 43.21A.667;
- (c) Fifty cents must be deposited into the aquatic invasive species enforcement account created in RCW 43.43.400; and
- (d) Two dollars must be deposited in the derelict vessel removal account created in RCW 79.100.100.

- (4) In addition to other fees required in this section, an annual derelict vessel removal surcharge of one dollar must be charged with each vessel registration. The surcharge is to address the significant backlog of derelict vessels accumulated in Washington waters that pose a threat to the health and safety of the people and to the environment and must be deposited into the derelict vessel removal account created in RCW 79.100.100.
- (5) ((The twenty-five dollar nonresident vessel permit fee must be paid by the vessel owner to the department for the cost of providing the identification document by the department)) (a) The amount of the nonresident vessel permit fee is:
- (i) For a vessel owned by a nonresident natural person, twenty-five dollars; and
- (ii) For a nonresident vessel owner that is not a natural person, the fee is equal to:
- (A) Twenty-five dollars per foot for vessels between thirty and ninety-nine feet in length;
- (B) Thirty dollars per foot for vessels between one hundred and one hundred twenty feet in length; and
- (C) Thirty-seven dollars and fifty cents per foot for vessels between one hundred twenty-one and one hundred sixty-four feet in length. The fee must be multiplied by the extreme length of the vessel in feet, rounded up to the nearest whole foot.
- (b) The fee must be paid by the vessel owner to the department. Any moneys remaining from the fee after the payment of costs to administer the permit must be allocated to counties by the state treasurer for approved boating safety programs under RCW 88.02.650.
- (c) A nonresident vessel owner that is not a natural person may not obtain more than two nonresident vessel permits under RCW 88.02.620 within any thirty-six month period.
 - (6) The thirty dollar vessel visitor permit fee must be distributed as follows:
- (a) Five dollars must be deposited in the derelict vessel removal account created in RCW 79.100.100;
- (b) The department may keep an amount to cover costs for providing the vessel visitor permit;
- (c) Any moneys remaining must be allocated to counties by the state treasurer for approved boating safety programs under RCW 88.02.650; and
- (d) Any fees required for licensing agents under RCW 46.17.005 are in addition to any other fee or tax due for the titling and registration of vessels.
 - (7)(a) The fifty dollar quick title service fee must be distributed as follows:
- (i) If the fee is paid to the director, the fee must be deposited to the general fund.
- (ii) If the fee is paid to the participating county auditor or other agent or subagent appointed by the director, twenty-five dollars must be deposited to the general fund. The remainder must be retained by the county treasurer in the same manner as other fees collected by the county auditor.
- (b) For the purposes of this subsection, "quick title" has the same meaning as in RCW 88.02.540.
- **Sec. 804.** RCW 88.02.570 and 2010 c 161 s 1018 are each amended to read as follows:

Vessel registration is required under this chapter except for the following:

- (1) A military vessel owned by the United States government;
- (2) A public vessel owned by the United States government, unless the vessel is a type used for recreation;
 - (3) A vessel clearly identified as being:
 - (a) Owned by a state, county, or city; and
 - (b) Used primarily for governmental purposes;
- (4) A vessel either (a) registered or numbered under the laws of a country other than the United States or (b) having a valid United States customs service cruising license issued pursuant to 19 C.F.R. Sec. 4.94. Either vessel is exempt from registration only for the first sixty days of use on Washington state waters. On or before the sixty-first day of use on Washington state waters, any vessel in the state under this subsection must obtain a vessel visitor permit as required under RCW 88.02.610;
- (5) A vessel that is currently registered or numbered under the laws of the state of principal operation or that has been issued a valid number under federal law. However, either vessel must be registered in Washington state if the state of principal operation changes to Washington state by the sixty-first day after the vessel arrives in Washington state;
 - (6)(a) A vessel owned by a nonresident if:
- $((\frac{(a)}{(a)}))$ (i) The vessel is located upon the waters of this state exclusively for repairs, alteration, or reconstruction, or any testing related to these services;
- (((b))) (ii) An employee of the facility providing these services is on board the vessel during any testing; and
- (((e))) (iii) The nonresident files an affidavit with the department of revenue by the sixtyfirst day verifying that the vessel is located upon the waters of this state for these services.
- (b) The nonresident ((shall)) must continue to file an affidavit every sixty days thereafter, as long as the vessel is located upon the waters of this state exclusively for repairs, alteration, reconstruction, or testing;
- (7) A vessel equipped with propulsion machinery of less than ten horsepower that:
- (a) Is owned by the owner of a vessel for which a valid vessel number has been issued;
- (b) Displays the number of that numbered vessel followed by the suffix "1" in the manner prescribed by the department; and
- (c) Is used as a tender for direct transportation between the numbered vessel and the shore and for no other purpose;
- (8) A vessel under sixteen feet in overall length that has no propulsion machinery of any type or that is not used on waters subject to the jurisdiction of the United States or on the high seas beyond the territorial seas for vessels owned in the United States and are powered by propulsion machinery of ten or less horsepower;
- (9) A vessel with no propulsion machinery of any type for which the primary mode of propulsion is human power;
- (10) A vessel primarily engaged in commerce that has or is required to have a valid marine document as a vessel of the United States. A commercial vessel that the department of revenue determines has the external appearance of a vessel that would otherwise be required to register under this chapter, must

display decals issued annually by the department of revenue that indicate the vessel's exempt status;

- (11) A vessel primarily engaged in commerce that is owned by a resident of a country other than the United States;
- (12) A vessel owned by a nonresident ((natural)) person brought into the state for use or enjoyment while temporarily within the state for not more than six months in any continuous twelve-month period that (a) is currently registered or numbered under the laws of the state of principal use or (b) has been issued a valid number under federal law. This type of vessel is exempt from registration only for the first sixty days of use on Washington state waters. On or before the sixty-first day of use on Washington state waters, any vessel under this subsection must obtain a nonresident vessel permit as required under RCW 88.02.620:
- (13) A vessel used in this state by a nonresident individual possessing a valid use permit issued under RCW 82.08.700 or 82.12.700; and
 - (14) A vessel held for sale by any licensed dealer.

<u>NEW SECTION.</u> **Sec. 805.** A new section is added to chapter 82.32 RCW to read as follows:

- (1) A nonresident vessel owner that is not a natural person must apply directly to the department for written approval to obtain a nonresident vessel permit under RCW 88.02.620. The application must be made to the department in a form and manner prescribed by the department and must include:
 - (a) The name of the record owner of the vessel;
- (b) The name, address, and telephone number of the individual that applied for the permit on behalf of the nonresident person;
 - (c) The record owner's address and telephone number;
 - (d) The vessel's hull identification number;
 - (e) The vessel year, make, and model;
 - (f) The vessel length;
- (g) The vessel's registration or numbering under the state of principal operation or the valid number under federal law;
- (h) Proof of the person's current nonresident status, including certified copies of the filed articles of incorporation, a certificate of formation, or similar filings:
- (i) Proof of the identity and current residency of all principals of the nonresident person. Such proof may include a valid driver's license verifying out-of-state residency or a valid identification card that has a photograph of the holder and is issued by an out-of-state jurisdiction;
- (j) An affidavit signed by a principal of the nonresident vessel owner certifying that no Washington residents are principals of the nonresident vessel owner; and
 - (k) Any other information the department may require.
- (2) The department must determine the nonresident vessel owner's eligibility for the permit, as provided in RCW 88.02.620, and may request additional information as needed directly from the nonresident vessel owner.
- (3)(a) If the nonresident vessel owner appears eligible for the permit, the department must provide written approval to the nonresident vessel owner that authorizes issuance of the permit and includes the name of the nonresident vessel owner, the name of the vessel, and the hull identification number. After

November 30, 2025, the department may not provide written approval for any permits under this subsection.

- (b) The department must also provide the information in the written approval to the department of licensing.
- (4)(a) If, after a permit has been issued under RCW 88.02.620, the department has reason to believe that the nonresident vessel owner was not eligible for the permit approved under subsection (3) of this section, the department may request such information from the nonresident vessel owner as the department determines is necessary to conduct a review of the nonresident vessel owner's eligibility.
- (b) If the department finds the nonresident person was not eligible for the permit, the department must assess against the nonresident person state and local use tax on the value of the vessel according to the "value of the article used" as defined in RCW 82.12.010. The department must also assess against the nonresident person any watercraft excise tax due under chapter 82.49 RCW. Penalties and interest as provided in this chapter and chapter 82.49 RCW apply to taxes assessed under this subsection (4).
- (5) For purposes of this section, "principal" means a natural person that owns, directly or indirectly, including through any tiered ownership structure, more than a one percent interest in the nonresident person applying for a nonresident vessel permit.
 - (6) The department may adopt rules to implement this section.

PART IX

Concerning Distribution and Use of Aircraft Excise Taxes

Sec. 901. RCW 82.48.080 and 1995 c 170 s 2 are each amended to read as follows:

The secretary ((shall)) <u>must</u> regularly pay to the state treasurer the excise taxes collected under this chapter, which ((shall)) <u>must</u> be credited by the state treasurer ((as follows: Ninety percent to the general fund and ten percent)) to the aeronautics account ((in the transportation fund)) for <u>state grants to airports and the</u> administrative expenses <u>associated with grant execution and the collection of excise taxes under this chapter</u>.

PART X

Providing a Business and Occupation Tax Credit for Businesses That Hire Veterans

<u>NEW SECTION.</u> **Sec. 1001.** This section is the tax preference performance statement for the tax preference contained in sections 1002 and 1003 of this act. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(1) The legislature categorizes the tax preferences as those intended to induce certain designated behavior by taxpayers and create or retain jobs, as indicated in RCW 82.32.808(2) (a) and (c).

- (2) It is the legislature's specific public policy objective to provide employment for unemployed veterans. It is the legislature's intent to provide employers a credit against the business and occupation tax or public utility tax for hiring unemployed veterans which would reduce an employer's tax burden thereby inducing employers to hire and create jobs for unemployed veterans. Pursuant to chapter 43.136 RCW, the joint legislative audit and review committee must review the business and occupation tax and public utility tax credit established under sections 1002 and 1003 of this act by December 31, 2022.
- (3) If a review finds that the number of unemployed veterans decreased by thirty percent, then the legislature intends for the legislative auditor to recommend extending the expiration date of the tax preference.
- (4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee should refer to the veteran unemployment rates available from the employment security department and the bureau of labor statistics.

<u>NEW SECTION.</u> **Sec. 1002.** A new section is added to chapter 82.04 RCW to read as follows:

- (1) A person is allowed a credit against the tax due under this chapter as provided in this section. The credit equals twenty percent of wages and benefits paid to or on behalf of a qualified employee up to a maximum of one thousand five hundred dollars for each qualified employee hired on or after October 1, 2016.
- (2) No credit may be claimed under this section until a qualified employee has been employed for at least two consecutive full calendar quarters.
- (3) Credits are available on a first-in-time basis. The department must keep a running total of all credits allowed under this section and section 1003 of this act during each fiscal year. The department may not allow any credits that would cause the total credits allowed under this section and section 1003 of this act to exceed five hundred thousand dollars in any fiscal year. If all or part of a claim for credit is disallowed under this subsection, the disallowed portion is carried over to the next fiscal year. However, the carryover into the next fiscal year is only permitted to the extent that the cap for the next fiscal year is not exceeded. Priority must be given to credits carried over from a previous fiscal year. The department must provide written notice to any person who has claimed tax credits in excess of the limitation in this subsection. The notice must indicate the amount of tax due and provide that the tax be paid within thirty days from the date of the notice. The department may not assess penalties and interest as provided in chapter 82.32 RCW on the amount due in the initial notice if the amount due is paid by the due date specified in the notice, or any extension thereof.
- (4) The credit may be used against any tax due under this chapter, and may be carried over until used, except as provided in subsection (9) of this section. No refunds may be granted for credits under this section.
- (5) If an employer discharges a qualified employee for whom the employer has claimed a credit under this section, the employer may not claim a new credit under this section for a period of one year from the date the qualified employee was discharged. However, this subsection (5) does not apply if the qualified employee was discharged for misconduct, as defined in RCW 50.04.294,

connected with his or her work or discharged due to a felony or gross misdemeanor conviction, and the employer contemporaneously documents the reason for discharge.

- (6) Credits earned under this section may be claimed only on returns filed electronically with the department using the department's online tax filing service or other method of electronic reporting as the department may authorize. No application is required to claim the credit, but the taxpayer must keep records necessary for the department to determine eligibility under this section including records establishing the person's status as a veteran and status as unemployed when hired by the taxpayer.
- (7) No person may claim a credit against taxes due under both this chapter and chapter 82.16 RCW for the same qualified employee.
- (8) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
- (a)(i) "Qualified employee" means an unemployed veteran who is employed in a permanent full-time position for at least two consecutive full calendar quarters. For seasonal employers, "qualified employee" also includes the equivalent of a full-time employee in work hours for two consecutive full calendar quarters.
- (ii) For purposes of this subsection (8)(a), "full time" means a normal work week of at least thirty-five hours.
- (b) "Unemployed" means that the veteran was unemployed as defined in RCW 50.04.310 for at least thirty days immediately preceding the date that the veteran was hired by the person claiming credit under this section for hiring the veteran.
- (c) "Veteran" means every person who has received an honorable discharge or received a general discharge under honorable conditions or is currently serving honorably, and who has served as a member in any branch of the armed forces of the United States, including the national guard and armed forces reserves.
- (9) Credits allowed under this section can be earned for tax reporting periods through June 30, 2022. No credits can be claimed after June 30, 2023.
 - (10) This section expires July 1, 2023.

<u>NEW SECTION.</u> **Sec. 1003.** A new section is added to chapter 82.16 RCW to read as follows:

- (1) A person is allowed a credit against the tax due under this chapter as provided in this section. The credit equals twenty percent of wages and benefits paid to or on behalf of a qualified employee up to a maximum of one thousand five hundred dollars for each qualified employee hired on or after October 1, 2016.
- (2) No credit may be claimed under this section until a qualified employee has been employed for at least two consecutive full calendar quarters.
- (3) Credits are available on a first-in-time basis. The department must keep a running total of all credits allowed under this section and section 1002 of this act during each fiscal year. The department may not allow any credits that would cause the total credits allowed under this section and section 1002 of this act to exceed five hundred thousand dollars in any fiscal year. If all or part of a claim for credit is disallowed under this subsection, the disallowed portion is carried over to the next fiscal year. However, the carryover into the next fiscal year is

only permitted to the extent that the cap for the next fiscal year is not exceeded. Priority must be given to credits carried over from a previous fiscal year. The department must provide written notice to any person who has claimed tax credits in excess of the limitation in this subsection. The notice must indicate the amount of tax due and provide that the tax be paid within thirty days from the date of the notice. The department may not assess penalties and interest as provided in chapter 82.32 RCW on the amount due in the initial notice if the amount due is paid by the due date specified in the notice, or any extension thereof

- (4) The credit may be used against any tax due under this chapter, and may be carried over until used, except as provided in subsection (9) of this section. No refunds may be granted for credits under this section.
- (5) If an employer discharges a qualified employee for whom the employer has claimed a credit under this section, the employer may not claim a new credit under this section for a period of one year from the date the qualified employee was discharged. However, this subsection (5) does not apply if the qualified employee was discharged for misconduct, as defined in RCW 50.04.294, connected with his or her work or discharged due to a felony or gross misdemeanor conviction, and the employer contemporaneously documents the reason for discharge.
- (6) Credits earned under this section may be claimed only on returns filed electronically with the department using the department's online tax filing service or other method of electronic reporting as the department may authorize. No application is required to claim the credit, but the taxpayer must keep records necessary for the department to determine eligibility under this section including records establishing the person's status as a veteran and status as unemployed when hired by the taxpayer.
- (7) No person may claim a credit against taxes due under both chapter 82.04 RCW and this chapter for the same qualified employee.
- (8) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
- (a)(i) "Qualified employee" means an unemployed veteran who is employed in a permanent full-time position for at least two consecutive full calendar quarters. For seasonal employers, "qualified employee" also includes the equivalent of a full-time employee in work hours for two consecutive full calendar quarters.
- (ii) For purposes of this subsection (8)(a), "full time" means a normal work week of at least thirty-five hours.
- (b) "Unemployed" means that the veteran was unemployed as defined in RCW 50.04.310 for at least thirty days immediately preceding the date that the veteran was hired by the person claiming credit under this section for hiring the veteran.
- (c) "Veteran" means every person who has received an honorable discharge or received a general discharge under honorable conditions or is currently serving honorably, and who has served as a member in any branch of the armed forces of the United States, including the national guard and armed forces reserves.
- (9) Credits allowed under this section can be earned for tax reporting periods through June 30, 2022. No credits can be claimed after June 30, 2023.

(10) This section expires July 1, 2023.

PART XI

Defining Honey Bee Products and Services as an Agricultural Product

<u>NEW SECTION.</u> **Sec. 1101.** This section is the tax preference performance statement for the tax preference contained in this Part XI. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

It is the legislature's specific public policy objective to support the honey bee industry and provide tax relief to eligible apiarists. Honey bees pollinate eighty percent of the nation's flowering crops, which include agricultural crops. They are vitally important to agriculture and an integral part of food production. Therefore, the legislature intends to permanently include eligible apiarists within the definition of farmer and define honey bee products as agricultural products so that they may receive the same tax relief as that provided to other sectors of agriculture. Because the legislature intends for the changes in this Part XI to be permanent, they are exempt from the ten-year expiration provision in RCW 82.32.805

Sec. 1102. RCW 82.04.213 and 2014 c 140 s 2 are each amended to read as follows:

- (1) "Agricultural product" means any product of plant cultivation or animal husbandry including, but not limited to: A product of horticulture, grain cultivation, vermiculture, viticulture, or aquaculture as defined in RCW 15.85.020; plantation Christmas trees; short-rotation hardwoods as defined in RCW 84.33.035; turf; or any animal including but not limited to an animal that is a private sector cultured aquatic product as defined in RCW 15.85.020, or a bird, or insect, or the substances obtained from such an animal including honey bee products. "Agricultural product" does not include marijuana, useable marijuana, or marijuana-infused products, or animals defined as pet animals under RCW 16.70.020.
- (2)(a) "Farmer" means any person engaged in the business of growing, raising, or producing, upon the person's own lands or upon the lands in which the person has a present right of possession, any agricultural product to be sold, and the growing, raising, or producing honey bee products for sale, or providing bee pollination services, by an eligible apiarist. "Farmer" does not include a person growing, raising, or producing such products for the person's own consumption; a person selling any animal or substance obtained therefrom in connection with the person's business of operating a stockyard or a slaughter or packing house; or a person in respect to the business of taking, cultivating, or raising timber.
- (b) "Eligible apiarist" means a person who owns or keeps one or more bee colonies and who grows, raises, or produces honey bee products for sale at wholesale and is registered under RCW 15.60.021.
- (c) "Honey bee products" means queen honey bees, packaged honey bees, honey, pollen, bees wax, propolis, or other substances obtained from honey bees. "Honey bee products" does not include manufactured substances or articles.

- (3) The terms "agriculture," "farming," "horticulture," "horticultural," and "horticultural product" may not be construed to include or relate to marijuana, useable marijuana, or marijuana-infused products unless the applicable term is explicitly defined to include marijuana, useable marijuana, or marijuana-infused products.
- (4) "Marijuana," "useable marijuana," and "marijuana-infused products" have the same meaning as in RCW 69.50.101.
- **Sec. 1103.** RCW 82.04.330 and 2014 c 140 s 7 are each amended to read as follows:
- (1) This chapter does not apply to any farmer in respect to the sale of any agricultural product at wholesale or to any farmer who grows, raises, or produces agricultural products owned by others, such as custom feed operations. This exemption does not apply to any person selling such products at retail or to any person selling manufactured substances or articles. This chapter does not apply to bee pollination services provided to a farmer by an eligible apiarist.
- (2) This chapter also does not apply to any persons who participate in the federal conservation reserve program or its successor administered by the United States department of agriculture with respect to land enrolled in that program.
- **Sec. 1104.** RCW 82.04.050 and 2013 2nd sp.s. c 13 s 802 are each amended to read as follows:
- (1)(a) "Sale at retail" or "retail sale" means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers other than a sale to a person who:
- (i) Purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person, but a purchase for the purpose of resale by a regional transit authority under RCW 81.112.300 is not a sale for resale; or
- (ii) Installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or component of such real or personal property without intervening use by such person; or
- (iii) Purchases for the purpose of consuming the property purchased in producing for sale as a new article of tangible personal property or substance, of which such property becomes an ingredient or component or is a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale; or
- (iv) Purchases for the purpose of consuming the property purchased in producing ferrosilicon which is subsequently used in producing magnesium for sale, if the primary purpose of such property is to create a chemical reaction directly through contact with an ingredient of ferrosilicon; or
- (v) Purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in RCW 82.04.065; or
- (vi) Purchases for the purpose of satisfying the person's obligations under an extended warranty as defined in subsection (7) of this section, if such tangible

personal property replaces or becomes an ingredient or component of property covered by the extended warranty without intervening use by such person.

- (b) The term includes every sale of tangible personal property that is used or consumed or to be used or consumed in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property is resold or used as provided in (a)(i) through (vi) of this subsection following such use.
- (c) The term also means every sale of tangible personal property to persons engaged in any business that is taxable under RCW 82.04.280(1) (a), (b), and (g), 82.04.290, and 82.04.2908.
- (2) The term "sale at retail" or "retail sale" includes the sale of or charge made for tangible personal property consumed and/or for labor and services rendered in respect to the following:
- (a) The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities in respect thereto, but excluding charges made for the use of self-service laundry facilities, and also excluding sales of laundry service to nonprofit health care facilities, and excluding services rendered in respect to live animals, birds and insects;
- (b) The constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for consumers, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation, and also includes the sale of services or charges made for the clearing of land and the moving of earth excepting the mere leveling of land used in commercial farming or agriculture;
- (c) The constructing, repairing, or improving of any structure upon, above, or under any real property owned by an owner who conveys the property by title, possession, or any other means to the person performing such construction, repair, or improvement for the purpose of performing such construction, repair, or improvement and the property is then reconveyed by title, possession, or any other means to the original owner;
- (d) The cleaning, fumigating, razing, or moving of existing buildings or structures, but does not include the charge made for janitorial services; and for purposes of this section the term "janitorial services" means those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term "janitorial services" does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting;
- (e) Automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under chapter 82.16 RCW:
- (f) The furnishing of lodging and all other services by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it is presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. For the purposes of this subsection, it is presumed that the sale of and charge made for the furnishing of lodging for a

continuous period of one month or more to a person is a rental or lease of real property and not a mere license to enjoy the same;

- (g) The installing, repairing, altering, or improving of digital goods for consumers;
- (h) Persons taxable under (a), (b), (c), (d), (e), (f), and (g) of this subsection when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property, labor and services may be resold after such use or consumption. Nothing contained in this subsection may be construed to modify subsection (1) of this section and nothing contained in subsection (1) of this section may be construed to modify this subsection.
- (3) The term "sale at retail" or "retail sale" includes the sale of or charge made for personal, business, or professional services including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in the following business activities:
- (a)(i) Amusement and recreation services including but not limited to golf, pool, billiards, skating, bowling, ski lifts and tows, day trips for sightseeing purposes, and others, when provided to consumers.
- (ii) Until July 1, 2017, amusement and recreation services do not include the opportunity to dance provided by an establishment in exchange for a cover charge.
 - (iii) For purposes of this subsection (3)(a):
- (A) "Cover charge" means a charge, regardless of its label, to enter an establishment or added to the purchaser's bill by an establishment or otherwise collected after entrance to the establishment, and the purchaser is provided the opportunity to dance in exchange for payment of the charge.
- (B) "Opportunity to dance" means that an establishment provides a designated physical space, on either a temporary or permanent basis, where customers are allowed to dance and the establishment either advertises or otherwise makes customers aware that it has an area for dancing;
 - (b) Abstract, title insurance, and escrow services;
 - (c) Credit bureau services;
 - (d) Automobile parking and storage garage services;
- (e) Landscape maintenance and horticultural services but excluding (i) horticultural services provided to farmers and (ii) pruning, trimming, repairing, removing, and clearing of trees and brush near electric transmission or distribution lines or equipment, if performed by or at the direction of an electric utility;
- (f) Service charges associated with tickets to professional sporting events; and
- (g) The following personal services: Physical fitness services, tanning salon services, tattoo parlor services, steam bath services, turkish bath services, escort services, and dating services.
- (4)(a) The term also includes the renting or leasing of tangible personal property to consumers.
- (b) The term does not include the renting or leasing of tangible personal property where the lease or rental is for the purpose of sublease or subrent.

- (5) The term also includes the providing of "competitive telephone service," "telecommunications service," or "ancillary services," as those terms are defined in RCW 82.04.065, to consumers.
- (6)(a) The term also includes the sale of prewritten computer software to a consumer, regardless of the method of delivery to the end user. For purposes of ((this subsection (6)))(a) and (b) of this subsection, the sale of prewritten computer software includes the sale of or charge made for a key or an enabling or activation code, where the key or code is required to activate prewritten computer software and put the software into use. There is no separate sale of the key or code from the prewritten computer software, regardless of how the sale may be characterized by the vendor or by the purchaser.
 - (b) The term "retail sale" does not include the sale of or charge made for:
 - (i) Custom software; or
 - (ii) The customization of prewritten computer software.
- (((b))) (c)(i) The term also includes the charge made to consumers for the right to access and use prewritten computer software, where possession of the software is maintained by the seller or a third party, regardless of whether the charge for the service is on a per use, per user, per license, subscription, or some other basis.
- (ii)(A) The service described in (((b))) (c)(i) of this subsection (6) includes the right to access and use prewritten computer software to perform data processing.
- (B) For purposes of this subsection $(6)((\frac{(b)}{(b)}))$ (c)(ii), "data processing" means the systematic performance of operations on data to extract the required information in an appropriate form or to convert the data to usable information. Data processing includes check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities.
- (7) The term also includes the sale of or charge made for an extended warranty to a consumer. For purposes of this subsection, "extended warranty" means an agreement for a specified duration to perform the replacement or repair of tangible personal property at no additional charge or a reduced charge for tangible personal property, labor, or both, or to provide indemnification for the replacement or repair of tangible personal property, based on the occurrence of specified events. The term "extended warranty" does not include an agreement, otherwise meeting the definition of extended warranty in this subsection, if no separate charge is made for the agreement and the value of the agreement is included in the sales price of the tangible personal property covered by the agreement. For purposes of this subsection, "sales price" has the same meaning as in RCW 82.08.010.
- (8)(a) The term also includes the following sales to consumers of digital goods, digital codes, and digital automated services:
- (i) Sales in which the seller has granted the purchaser the right of permanent use;
- (ii) Sales in which the seller has granted the purchaser a right of use that is less than permanent;
- (iii) Sales in which the purchaser is not obligated to make continued payment as a condition of the sale; and
- (iv) Sales in which the purchaser is obligated to make continued payment as a condition of the sale.

- (b) A retail sale of digital goods, digital codes, or digital automated services under this subsection (8) includes any services provided by the seller exclusively in connection with the digital goods, digital codes, or digital automated services, whether or not a separate charge is made for such services.
- (c) For purposes of this subsection, "permanent" means perpetual or for an indefinite or unspecified length of time. A right of permanent use is presumed to have been granted unless the agreement between the seller and the purchaser specifies or the circumstances surrounding the transaction suggest or indicate that the right to use terminates on the occurrence of a condition subsequent.
- (9) The term also includes the charge made for providing tangible personal property along with an operator for a fixed or indeterminate period of time. A consideration of this is that the operator is necessary for the tangible personal property to perform as designed. For the purpose of this subsection (9), an operator must do more than maintain, inspect, or set up the tangible personal property.
- (10) The term does not include the sale of or charge made for labor and services rendered in respect to the building, repairing, or improving of any street, place, road, highway, easement, right-of-way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state or by the United States and which is used or to be used primarily for foot or vehicular traffic including mass transportation vehicles of any kind.
- (11) The term also does not include sales of chemical sprays or washes to persons for the purpose of postharvest treatment of fruit for the prevention of scald, fungus, mold, or decay, nor does it include sales of feed, seed, seedlings, fertilizer, agents for enhanced pollination including insects such as bees, and spray materials to: (a) Persons who participate in the federal conservation reserve program, the environmental quality incentives program, the wetlands reserve program, and the wildlife habitat incentives program, or their successors administered by the United States department of agriculture; (b) farmers for the purpose of producing for sale any agricultural product; (c) farmers for the purpose of providing bee pollination services; and (((e))) (d) farmers acting under cooperative habitat development or access contracts with an organization exempt from federal income tax under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code or the Washington state department of fish and wildlife to produce or improve wildlife habitat on land that the farmer owns or leases.
- (12) The term does not include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to chapter 35.82 RCW, including the installing, or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation. Nor does the term include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States, any instrumentality thereof, or a county or city housing authority. Nor does the term include the sale of services or charges made for cleaning up for the United States, or its instrumentalities, radioactive waste and other by-products of weapons production and nuclear research and development.

- (13) The term does not include the sale of or charge made for labor, services, or tangible personal property pursuant to agreements providing maintenance services for bus, rail, or rail fixed guideway equipment when a regional transit authority is the recipient of the labor, services, or tangible personal property, and a transit agency, as defined in RCW 81.104.015, performs the labor or services.
- (14) The term does not include the sale for resale of any service described in this section if the sale would otherwise constitute a "sale at retail" and "retail sale" under this section.
- **Sec. 1105.** RCW 82.04.050 and 2015 c 169 s 1 are each amended to read as follows:
- (1)(a) "Sale at retail" or "retail sale" means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers other than a sale to a person who:
- (i) Purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person, but a purchase for the purpose of resale by a regional transit authority under RCW 81.112.300 is not a sale for resale; or
- (ii) Installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or component of such real or personal property without intervening use by such person; or
- (iii) Purchases for the purpose of consuming the property purchased in producing for sale as a new article of tangible personal property or substance, of which such property becomes an ingredient or component or is a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale; or
- (iv) Purchases for the purpose of consuming the property purchased in producing ferrosilicon which is subsequently used in producing magnesium for sale, if the primary purpose of such property is to create a chemical reaction directly through contact with an ingredient of ferrosilicon; or
- (v) Purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in RCW 82.04.065; or
- (vi) Purchases for the purpose of satisfying the person's obligations under an extended warranty as defined in subsection (7) of this section, if such tangible personal property replaces or becomes an ingredient or component of property covered by the extended warranty without intervening use by such person.
- (b) The term includes every sale of tangible personal property that is used or consumed or to be used or consumed in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property is resold or used as provided in (a)(i) through (vi) of this subsection following such use.
- (c) The term also means every sale of tangible personal property to persons engaged in any business that is taxable under RCW 82.04.280(1) (a), (b), and (g), 82.04.290, and 82.04.2908.

- (2) The term "sale at retail" or "retail sale" includes the sale of or charge made for tangible personal property consumed and/or for labor and services rendered in respect to the following:
- (a) The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities in respect thereto, but excluding charges made for the use of self-service laundry facilities, and also excluding sales of laundry service to nonprofit health care facilities, and excluding services rendered in respect to live animals, birds and insects;
- (b) The constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for consumers, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation, and also includes the sale of services or charges made for the clearing of land and the moving of earth excepting the mere leveling of land used in commercial farming or agriculture;
- (c) The constructing, repairing, or improving of any structure upon, above, or under any real property owned by an owner who conveys the property by title, possession, or any other means to the person performing such construction, repair, or improvement for the purpose of performing such construction, repair, or improvement and the property is then reconveyed by title, possession, or any other means to the original owner;
- (d) The cleaning, fumigating, razing, or moving of existing buildings or structures, but does not include the charge made for janitorial services; and for purposes of this section the term "janitorial services" means those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term "janitorial services" does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting;
- (e) Automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under chapter 82.16 RCW:
- (f) The furnishing of lodging and all other services by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it is presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same. For the purposes of this subsection, it is presumed that the sale of and charge made for the furnishing of lodging for a continuous period of one month or more to a person is a rental or lease of real property and not a mere license to enjoy the same;
- (g) The installing, repairing, altering, or improving of digital goods for consumers;
- (h) Persons taxable under (a), (b), (c), (d), (e), (f), and (g) of this subsection when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property, labor and services may be resold after such use or consumption. Nothing contained in this

subsection may be construed to modify subsection (1) of this section and nothing contained in subsection (1) of this section may be construed to modify this subsection.

- (3) The term "sale at retail" or "retail sale" includes the sale of or charge made for personal, business, or professional services including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in the following business activities:
 - (a) Abstract, title insurance, and escrow services;
 - (b) Credit bureau services:
 - (c) Automobile parking and storage garage services;
- (d) Landscape maintenance and horticultural services but excluding (i) horticultural services provided to farmers and (ii) pruning, trimming, repairing, removing, and clearing of trees and brush near electric transmission or distribution lines or equipment, if performed by or at the direction of an electric utility;
 - (e) Service charges associated with tickets to professional sporting events;
- (f) The following personal services: Tanning salon services, tattoo parlor services, steam bath services, turkish bath services, escort services, and dating services; and
- (g)(i) Operating an athletic or fitness facility, including all charges for the use of such a facility or for any associated services and amenities, except as provided in (g)(ii) of this subsection.
- (ii) Notwithstanding anything to the contrary in (g)(i) of this subsection (3), the term "sale at retail" and "retail sale" under this subsection does not include:
- (A) Separately stated charges for the use of an athletic or fitness facility where such use is primarily for a purpose other than engaging in or receiving instruction in a physical fitness activity;
- (B) Separately stated charges for the use of a discrete portion of an athletic or fitness facility, other than a pool, where such discrete portion of the facility does not by itself meet the definition of "athletic or fitness facility" in this subsection:
- (C) Separately stated charges for services, such as advertising, massage, nutritional consulting, and body composition testing, that do not require the customer to engage in physical fitness activities to receive the service. The exclusion in this subsection (3)(g)(ii)(C) does not apply to personal training services and instruction in a physical fitness activity;
- (D) Separately stated charges for physical therapy provided by a physical therapist, as those terms are defined in RCW 18.74.010, or occupational therapy provided by an occupational therapy practitioner, as those terms are defined in RCW 18.59.020, when performed pursuant to a referral from an authorized health care practitioner or in consultation with an authorized health care practitioner. For the purposes of this subsection (3)(g)(ii)(D), an authorized health care practitioner means a health care practitioner licensed under chapter 18.83, 18.25, 18.36A, 18.57, 18.57A, 18.71, or 18.71A RCW;
- (E) Rent or association fees charged by a landlord or residential association to a tenant or residential owner with access to an athletic or fitness facility maintained by the landlord or residential association, unless the rent or fee varies depending on whether the tenant or owner has access to the facility;

- (F) Services provided in the regular course of employment by an employee with access to an athletic or fitness facility maintained by the employer for use without charge by its employees or their family members;
- (G) The provision of access to an athletic or fitness facility by an educational institution to its students and staff. However, charges made by an educational institution to its alumni or other members of the public for the use of any of the educational institution's athletic or fitness facilities are a retail sale under this subsection (3)(g). For purposes of this subsection (3)(g)(ii)(G), "educational institution" has the same meaning as in RCW 82.04.170; and
- (H) Yoga, tai chi, or chi gong classes held at a community center, park, gymnasium, college or university, hospital or other medical facility, private residence, or any facility that is not primarily used for physical fitness activities other than yoga, tai chi, or chi gong classes.
- (iii) Nothing in (g)(ii) of this subsection (3) may be construed to affect the taxation of sales made by the operator of an athletic or fitness facility, where such sales are defined as a retail sale under any provision of this section other than this subsection (3).
- (iv) For the purposes of this subsection (3)(g), the following definitions apply:
- (A) "Athletic or fitness facility" means an indoor or outdoor facility or portion of a facility that is primarily used for: Exercise classes; strength and conditioning programs; personal training services; tennis, racquetball, handball, squash, or pickleball; yoga; boxing, kickboxing, wrestling, martial arts, or mixed martial arts training; or other activities requiring the use of exercise or strength training equipment, such as treadmills, elliptical machines, stair climbers, stationary cycles, rowing machines, pilates equipment, balls, climbing ropes, jump ropes, and weightlifting equipment.
- (B) "Physical fitness activities" means activities that involve physical exertion for the purpose of improving or maintaining the general fitness, strength, flexibility, conditioning, or health of the participant.
- (4)(a) The term also includes the renting or leasing of tangible personal property to consumers.
- (b) The term does not include the renting or leasing of tangible personal property where the lease or rental is for the purpose of sublease or subrent.
- (5) The term also includes the providing of "competitive telephone service," "telecommunications service," or "ancillary services," as those terms are defined in RCW 82.04.065, to consumers.
- (6)(a) The term also includes the sale of prewritten computer software to a consumer, regardless of the method of delivery to the end user. For purposes of ((this subsection (6)))(a) and (b) of this subsection, the sale of prewritten computer software includes the sale of or charge made for a key or an enabling or activation code, where the key or code is required to activate prewritten computer software and put the software into use. There is no separate sale of the key or code from the prewritten computer software, regardless of how the sale may be characterized by the vendor or by the purchaser.
 - (b) The term "retail sale" does not include the sale of or charge made for:
 - (i) Custom software; or
 - (ii) The customization of prewritten computer software.

- (((b))) (c)(i) The term also includes the charge made to consumers for the right to access and use prewritten computer software, where possession of the software is maintained by the seller or a third party, regardless of whether the charge for the service is on a per use, per user, per license, subscription, or some other basis.
- (ii)(A) The service described in (((b))) (<u>c)</u>(i) of this subsection (6) includes the right to access and use prewritten computer software to perform data processing.
- (B) For purposes of this subsection $(6)((\frac{(b)}{(b)}))$ (c)(ii), "data processing" means the systematic performance of operations on data to extract the required information in an appropriate form or to convert the data to usable information. Data processing includes check processing, image processing, form processing, survey processing, payroll processing, claim processing, and similar activities.
- (7) The term also includes the sale of or charge made for an extended warranty to a consumer. For purposes of this subsection, "extended warranty" means an agreement for a specified duration to perform the replacement or repair of tangible personal property at no additional charge or a reduced charge for tangible personal property, labor, or both, or to provide indemnification for the replacement or repair of tangible personal property, based on the occurrence of specified events. The term "extended warranty" does not include an agreement, otherwise meeting the definition of extended warranty in this subsection, if no separate charge is made for the agreement and the value of the agreement is included in the sales price of the tangible personal property covered by the agreement. For purposes of this subsection, "sales price" has the same meaning as in RCW 82.08.010.
- (8)(a) The term also includes the following sales to consumers of digital goods, digital codes, and digital automated services:
- (i) Sales in which the seller has granted the purchaser the right of permanent use;
- (ii) Sales in which the seller has granted the purchaser a right of use that is less than permanent;
- (iii) Sales in which the purchaser is not obligated to make continued payment as a condition of the sale; and
- (iv) Sales in which the purchaser is obligated to make continued payment as a condition of the sale.
- (b) A retail sale of digital goods, digital codes, or digital automated services under this subsection (8) includes any services provided by the seller exclusively in connection with the digital goods, digital codes, or digital automated services, whether or not a separate charge is made for such services.
- (c) For purposes of this subsection, "permanent" means perpetual or for an indefinite or unspecified length of time. A right of permanent use is presumed to have been granted unless the agreement between the seller and the purchaser specifies or the circumstances surrounding the transaction suggest or indicate that the right to use terminates on the occurrence of a condition subsequent.
- (9) The term also includes the charge made for providing tangible personal property along with an operator for a fixed or indeterminate period of time. A consideration of this is that the operator is necessary for the tangible personal property to perform as designed. For the purpose of this subsection (9), an

operator must do more than maintain, inspect, or set up the tangible personal property.

- (10) The term does not include the sale of or charge made for labor and services rendered in respect to the building, repairing, or improving of any street, place, road, highway, easement, right-of-way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state or by the United States and which is used or to be used primarily for foot or vehicular traffic including mass transportation vehicles of any kind.
- (11) The term also does not include sales of chemical sprays or washes to persons for the purpose of postharvest treatment of fruit for the prevention of scald, fungus, mold, or decay, nor does it include sales of feed, seed, seedlings, fertilizer, agents for enhanced pollination including insects such as bees, and spray materials to: (a) Persons who participate in the federal conservation reserve program, the environmental quality incentives program, the wetlands reserve program, and the wildlife habitat incentives program, or their successors administered by the United States department of agriculture; (b) farmers for the purpose of producing for sale any agricultural product; (c) farmers for the purpose of providing bee pollination services; and (((e))) (d) farmers acting under cooperative habitat development or access contracts with an organization exempt from federal income tax under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code or the Washington state department of fish and wildlife to produce or improve wildlife habitat on land that the farmer owns or leases.
- (12) The term does not include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to chapter 35.82 RCW, including the installing, or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation. Nor does the term include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States, any instrumentality thereof, or a county or city housing authority. Nor does the term include the sale of services or charges made for cleaning up for the United States, or its instrumentalities, radioactive waste and other by-products of weapons production and nuclear research and development.
- (13) The term does not include the sale of or charge made for labor, services, or tangible personal property pursuant to agreements providing maintenance services for bus, rail, or rail fixed guideway equipment when a regional transit authority is the recipient of the labor, services, or tangible personal property, and a transit agency, as defined in RCW 81.104.015, performs the labor or services.
- (14) The term does not include the sale for resale of any service described in this section if the sale would otherwise constitute a "sale at retail" and "retail sale" under this section.
- (15)(a) The term "sale at retail" or "retail sale" includes amounts charged, however labeled, to consumers to engage in any of the activities listed in this subsection (15)(a), including the furnishing of any associated equipment or, except as otherwise provided in this subsection, providing instruction in such

activities, where such charges are not otherwise defined as a "sale at retail" or "retail sale" in this section:

- (i)(A) Golf, including any variant in which either golf balls or golf clubs are used, such as miniature golf, hitting golf balls at a driving range, and golf simulators, and including fees charged by a golf course to a player for using his or her own cart. However, charges for golf instruction are not a retail sale, provided that if the instruction involves the use of a golfing facility that would otherwise require the payment of a fee, such as green fees or driving range fees, such fees, including the applicable retail sales tax, must be separately identified and charged by the golfing facility operator to the instructor or the person receiving the instruction.
- (B) Notwithstanding (a)(i)(A) of this subsection (15) and except as otherwise provided in this subsection (15)(a)(i)(B), the term "sale at retail" or "retail sale" does not include amounts charged to participate in, or conduct, a golf tournament or other competitive event. However, amounts paid by event participants to the golf facility operator are retail sales under this subsection (15)(a)(i). Likewise, amounts paid by the event organizer to the golf facility are retail sales under this subsection (15)(a)(i), if such amounts vary based on the number of event participants;
- (ii) Ballooning, hang gliding, indoor or outdoor sky diving, paragliding, parasailing, and similar activities;
- (iii) Air hockey, billiards, pool, foosball, darts, shuffleboard, ping pong, and similar games;
- (iv) Access to amusement park, theme park, and water park facilities, including but not limited to charges for admission and locker or cabana rentals. Discrete charges for rides or other attractions or entertainment that are in addition to the charge for admission are not a retail sale under this subsection (15)(a)(iv). For the purposes of this subsection, an amusement park or theme park is a location that provides permanently affixed amusement rides, games, and other entertainment, but does not include parks or zoos for which the primary purpose is the exhibition of wildlife, or fairs, carnivals, and festivals as defined in (b)(i) of this subsection;
 - (v) Batting cage activities;
- (vi) Bowling, but not including competitive events, except that amounts paid by the event participants to the bowling alley operator are retail sales under this subsection (15)(a)(vi). Likewise, amounts paid by the event organizer to the operator of the bowling alley are retail sales under this subsection (15)(a)(vi), if such amounts vary based on the number of event participants;
- (vii) Climbing on artificial climbing structures, whether indoors or outdoors;
 - (viii) Day trips for sightseeing purposes;
- (ix) Bungee jumping, zip lining, and riding inside a ball, whether inflatable or otherwise:
- (x) Horseback riding offered to the public, where the seller furnishes the horse to the buyer and providing instruction is not the primary focus of the activity, including guided rides, but not including therapeutic horseback riding provided by an instructor certified by a nonprofit organization that offers national or international certification for therapeutic riding instructors;

- (xi) Fishing, including providing access to private fishing areas and charter or guided fishing, except that fishing contests and license fees imposed by a government entity are not a retail sale under this subsection;
- (xii) Guided hunting and hunting at game farms and shooting preserves, except that hunting contests and license fees imposed by a government entity are not a retail sale under this subsection;
- (xiii) Swimming, but only in respect to (A) recreational or fitness swimming that is open to the public, such as open swim, lap swimming, and special events like kids night out and pool parties during open swim time, and (B) pool parties for private events, such as birthdays, family gatherings, and employee outings. Fees for swimming lessons, to participate in swim meets and other competitions, or to join a swim team, club, or aquatic facility are not retail sales under this subsection (15)(a)(xiii);
- (xiv) Go-karting, bumper cars, and other motorized activities where the seller provides the vehicle and the premises where the buyer will operate the vehicle;
- (xv) Indoor or outdoor playground activities, such as inflatable bounce structures and other inflatables; mazes; trampolines; slides; ball pits; games of tag, including laser tag and soft-dart tag; and human gyroscope rides, regardless of whether such activities occur at the seller's place of business, but not including playground activities provided for children by a licensed child day care center or licensed family day care provider as those terms are defined in RCW 43.215.010;
- (xvi) Shooting sports and activities, such as target shooting, skeet, trap, sporting clays, "5" stand, and archery, but only in respect to discrete charges to members of the public to engage in these activities, but not including fees to enter a competitive event, instruction that is entirely or predominately classroom based, or to join or renew a membership at a club, range, or other facility;
 - (xvii) Paintball and airsoft activities;
- (xviii) Skating, including ice skating, roller skating, and inline skating, but only in respect to discrete charges to members of the public to engage in skating activities, but not including skating lessons, competitive events, team activities, or fees to join or renew a membership at a skating facility, club, or other organization;
- (xix) Nonmotorized snow sports and activities, such as downhill and crossskiing, snowboarding, ski jumping, sledding. snowshoeing, and similar snow sports and activities, whether engaged in outdoors or in an indoor facility with or without snow, but only in respect to discrete charges to the public for the use of land or facilities to engage in nonmotorized snow sports and activities, such as fees, however labeled, for the use of ski lifts and tows and daily or season passes for access to trails or other areas where nonmotorized snow sports and activities are conducted. However, fees for the following are not retail sales under this subsection (15)(a)(xix): (A) Instructional lessons; (B) permits issued by a governmental entity to park a vehicle on or access public lands; and (C) permits or leases granted by an owner of private timberland for recreational access to areas used primarily for growing and harvesting timber; and

- (xx) Scuba diving; snorkeling; river rafting; surfing; kiteboarding; flyboarding; water slides; inflatables, such as water pillows, water trampolines, and water rollers; and similar water sports and activities.
- (b) Notwithstanding anything to the contrary in this subsection (15), the term "sale at retail" or "retail sale" does not include charges:
- (i) Made for admission to, and rides or attractions at, fairs, carnivals, and festivals. For the purposes of this subsection, fairs, carnivals, and festivals are events that do not exceed twenty-one days and a majority of the amusement rides, if any, are not affixed to real property;
- (ii) Made by an educational institution to its students and staff for activities defined as retail sales by (a)(i) through (xx) of this subsection. However, charges made by an educational institution to its alumni or other members of the general public for these activities are a retail sale under this subsection (15). For purposes of this subsection (15)(b)(ii), "educational institution" has the same meaning as in RCW 82.04.170;
- (iii) Made by a vocational school for commercial diver training that is licensed by the workforce training and education coordinating board under chapter 28C.10 RCW; or
- (iv) Made for day camps offered by a nonprofit organization or state or local governmental entity that provide youth not older than age eighteen, or that are focused on providing individuals with disabilities or mental illness, the opportunity to participate in a variety of supervised activities.
- **Sec. 1106.** RCW 82.08.855 and 2014 c 97 s 601 are each amended to read as follows:
- (1) The tax levied by RCW 82.08.020 does not apply to the sale to an eligible farmer of:
 - (a) Replacement parts for qualifying farm machinery and equipment;
- (b) Labor and services rendered in respect to the installing of replacement parts; and
- (c) Labor and services rendered in respect to the repairing of qualifying farm machinery and equipment, provided that during the course of repairing no tangible personal property is installed, incorporated, or placed in, or becomes an ingredient or component of, the qualifying farm machinery and equipment other than replacement parts.
- (2)(a) Notwithstanding anything to the contrary in this chapter, if a single transaction involves services that are not exempt under this section and services that would be exempt under this section if provided separately, the exemptions provided in subsection (1)(b) and (c) of this section apply if: (i) The seller makes a separately itemized charge for labor and services described in subsection (1)(b) or (c) of this section; and (ii) the separately itemized charge does not exceed the seller's usual and customary charge for such services.
- (b) If the requirements in (a)(i) and (ii) of this subsection (2) are met, the exemption provided in subsection (1)(b) or (c) of this section applies to the separately itemized charge for labor and services described in subsection (1)(b) or (c) of this section.
- (3)(a) A purchaser claiming an exemption under this section must keep records necessary for the department to verify eligibility under this section. Sellers making taxexempt sales under this section must obtain an exemption certificate from the purchaser in a form and manner prescribed by the

department. In lieu of an exemption certificate, a seller may capture the relevant data elements as allowed under the streamlined sales and use tax agreement. The seller must retain a copy of the certificate or the data elements for the seller's files

- (b)(i) For a person who is an eligible farmer as defined in subsection (4)(b)(iv) of this section, the exemption is conditioned upon:
- (A) The eligible farmer having gross sales or a harvested value of agricultural products grown, raised, or produced by that person or gross sales of bee pollination services of at least ten thousand dollars in the first full tax year in which the person engages in business as a farmer; or
- (B) The eligible farmer, during the first full tax year in which that person engages in business as a farmer, growing, raising, or producing agricultural products or bee pollination services having an estimated value at any time during that year of at least ten thousand dollars, if the person will not sell or harvest an agricultural product or bee pollination service during the first full tax year in which the person engages in business as a farmer.
- (ii) If a person fails to meet the condition provided in (b)(i)(A) or (B) of this subsection, the person must repay any taxes exempted under this section. Any taxes for which an exemption under this section was claimed are due and payable to the department within thirty days of the end of the first full tax year in which the person engages in business as a farmer. The department must assess interest on the taxes for which the exemption was claimed as provided in chapter 82.32 RCW, retroactively to the date the exemption was claimed, and accrues until the taxes for which the exemption was claimed are paid. Penalties may not be imposed on any tax required to be paid under this subsection (3) (b)(ii) if full payment is received by the due date.
- (4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
 - (a) "Agricultural products" has the meaning provided in RCW 82.04.213.
 - (b) "Eligible farmer" means:
- (i) A farmer as defined in RCW 82.04.213 whose gross sales or harvested value of agricultural products grown, raised, or produced by that person or gross sales of bee pollination services was at least ten thousand dollars for the immediately preceding tax year;
- (ii) A farmer as defined in RCW 82.04.213 whose agricultural products had an estimated value of at least ten thousand dollars for the immediately preceding tax year, if the person did not sell or harvest an agricultural product or bee pollination service during that year;
- (iii) A farmer as defined in RCW 82.04.213 who has merely changed identity or the form of ownership of an entity that was an eligible farmer, where there was no change in beneficial ownership, and the combined gross sales, harvested value, or estimated value of agricultural products or bee pollination services by both entities met the requirements of (b)(i) or (ii) of this subsection for the immediately preceding tax year;
- (iv) A farmer as defined in RCW 82.04.213((,,)) who does not meet the definition of "eligible farmer" in (b)(i), (ii), or (iii) of this subsection, and who did not engage in farming for the entire immediately preceding tax year, because the farmer is either new to farming or newly returned to farming; or

- (v) Anyone who otherwise meets the definition of "eligible farmer" in this subsection except that they are not a "person" as defined in RCW 82.04.030.
 - (c) "Farm vehicle" has the same meaning as in RCW 46.04.181.
- (d) "Harvested value" means the number of units of the agricultural product that were grown, raised, or produced, multiplied by the average sales price of the agricultural product. For purposes of this subsection (4)(d), "average sales price" means the average price per unit of agricultural product received by farmers in this state as reported by the United States department of agriculture's national agricultural statistics service for the twelve-month period that coincides with, or that ends closest to, the end of the relevant tax year, regardless of whether the prices are subject to revision. If the price per unit of an agricultural product received by farmers in this state is not available from the national agricultural statistics service, average sales price may be determined by using the average price per unit of agricultural product received by farmers in this state as reported by a recognized authority for the agricultural product.
- (e) "Qualifying farm machinery and equipment" means machinery and equipment used primarily by an eligible farmer for growing, raising, or producing agricultural products, providing bee pollination services, or both. "Qualifying farm machinery and equipment" does not include:
- (i) Vehicles as defined in RCW 46.04.670, other than farm tractors as defined in RCW 46.04.180, farm vehicles, and other farm implements. For purposes of this subsection (4)(e)(i), "farm implement" means machinery or equipment manufactured, designed, or reconstructed for agricultural purposes and used primarily by an eligible farmer to grow, raise, or produce agricultural products, but does not include lawn tractors and allterrain vehicles;
 - (ii) Aircraft;
 - (iii) Hand tools and handpowered tools; and
 - (iv) Property with a useful life of less than one year.
- (f)(i) "Replacement parts" means those parts that replace an existing part, or which are essential to maintain the working condition, of a piece of qualifying farm machinery or equipment.
- (ii) Paint, fuel, oil, hydraulic fluids, antifreeze, and similar items are not replacement parts except when installed, incorporated, or placed in qualifying farm machinery and equipment during the course of installing replacement parts as defined in (f)(i) of this subsection or making repairs as described in subsection (1)(c) of this section.
- (g) "Tax year" means the period for which a person files its federal income tax return, irrespective of whether the period represents a calendar year, fiscal year, or some other consecutive twelvemonth period. If a person is not required to file a federal income tax return, "tax year" means a calendar year.

 $\underline{\text{NEW SECTION}}$. Sec. 1107. The following acts or parts of acts are each repealed:

- (1) RCW 82.04.629 (Exemptions—Honey bee products) and 2013 2nd sp.s. c 13 s 306 & 2008 c 314 s 2;
- (2) RCW 82.04.630 (Exemptions—Bee pollination services) and 2013 2nd sp.s. c 13 s 307 & 2008 c 314 s 3;
- (3) RCW 82.08.0204 (Exemptions—Honey bees) and 2013 2nd sp.s. c 13 s 308 & 2008 c 314 s 4;

- (4) RCW 82.12.0204 (Exemptions—Honey bees) and 2013 2nd sp.s. c 13 s 309 & 2008 c 314 s 5;
- (5) RCW 82.08.200 (Exemptions—Honey beekeepers) and 2013 2nd sp.s. c 13 s 302;
- (6) RCW 82.12.200 (Exemptions—Honey beekeepers) and 2013 2nd sp.s. c 13 s 303; and
 - (7) RCW 43.136.047 (Beekeeper evaluation) and 2013 2nd sp.s. c 13 s 304.

<u>NEW SECTION.</u> **Sec. 1108.** The legislature intends for the amendments in this act to be permanent. Therefore, the amendments in Part XI of this act are exempt from the provision in RCW 82.32.805 and 82.32.808.

PART XII

Concerning the Taxation of Wax and Ceramic Materials Used to Make Molds

- <u>NEW SECTION.</u> **Sec. 1201.** (1) This section is the tax preference performance statement for the tax preference contained in section 1202 of this act. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.
- (2) The legislature categorizes the tax preference created in this act as one intended to reduce structural inefficiencies in the tax structure as indicated in RCW 82.32.808(2)(d).
- (3) It is the legislature's specific public policy objective to provide permanent tax relief that corrects the structural inefficiencies under RCW 82.08.983 with regard to wax and ceramic materials used to create molds during the process of creating ferrous and nonferrous investment castings used in industrial applications.

NEW SECTION. Sec. 1202. 2010 c 225 s 4 (uncodified) is repealed.

<u>NEW SECTION.</u> **Sec. 1203.** As this part is intended to create a permanent tax exemption, the tax preference in this act is not subject to the expiration date requirements in RCW 82.32.805 and is not subject to the requirements in RCW 82.32.808(4).

PART XIII [NOT USED]

PART XIV [NOT USED] PART XV [NOT USED]

PART XVI [NOT USED]

PART XVII [NOT USED]

PART XVIII [NOT USED]

PART XIX

Concerning a Hazardous Substance Tax Exemption for Certain Hazardous Substances that Are Used as Agricultural Crop Protection Products and Warehoused but not Otherwise Used, Manufactured, Packaged, or Sold in this State

<u>NEW SECTION.</u> **Sec. 1901.** A new section is added to chapter 82.21 RCW to read as follows:

- (1) The legislature categorizes the tax preference in section 1902 of this act as one intended to improve industry competitiveness, as indicated in RCW 82.32.808(2)(b).
- (2) The legislature's specific public policy objective is to clarify an existing exemption from the hazardous substance tax for agricultural crop protection products to incentivize storing products in Washington state as they are engaged in interstate commerce. The legislature finds that the agricultural industry is a vital component of Washington's economy, providing thousands of jobs throughout the state. The legislature further finds that Washington state is the ideal location for distribution centers for agricultural crop protection products because Washington is an efficient transportation hub for Pacific Northwest farmers, and encourages crop protection products to be managed in the most protective facilities, and transported using the most sound environmental means. However, products being warehoused in the state are diminishing because agricultural crop protection products are being redirected to out-of-state distribution centers as a direct result of Washington's tax burden. Relocation of this economic activity is detrimental to Washington's economy through the direct loss of jobs and hazardous substance tax revenue, thereby negatively impacting the supply chain for Washington farmers, thereby causing increased transportation usage and risk of spillage, thereby failing to encourage the most environmentally protective measures. Therefore, it is the intent of the legislature to encourage the regional competitiveness of agricultural distribution by clarifying an exemption from the hazardous substance tax for agricultural crop protection products that are manufactured out-of-state, warehoused transported into the state, but ultimately shipped and sold out of Washington state.

- (3) If a review finds an average increase in revenue of the hazardous substance tax, then the legislature intends to extend the expiration date of the tax preference.
- (4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee may refer to data available from the department of revenue.
- **Sec. 1902.** RCW 82.21.040 and 1989 c 2 s 11 are each amended to read as follows:

The following are exempt from the tax imposed in this chapter:

- (1) Any successive possession of a previously taxed hazardous substance. If tax due under this chapter has not been paid with respect to a hazardous substance, the department may collect the tax from any person who has had possession of the hazardous substance. If the tax is paid by any person other than the first person having taxable possession of a hazardous substance, the amount of tax paid shall constitute a debt owed by the first person having taxable possession to the person who paid the tax.
- (2) Any possession of a hazardous substance by a natural person under circumstances where the substance is used, or is to be used, for a personal or domestic purpose (and not for any business purpose) by that person or a relative of, or person residing in the same dwelling as, that person.
- (3) Any possession of a hazardous substance amount which is determined as minimal by the department of ecology and which is possessed by a retailer for the purpose of making sales to ultimate consumers. This exemption does not apply to pesticide or petroleum products.
 - (4) Any possession of alumina or natural gas.
- (5)(a) Any possession of a hazardous substance as defined in RCW 82.21.020(1)(c) that is solely for use by a farmer or certified applicator as an agricultural crop protection product and warehoused in this state or transported to or from this state, provided that the person possessing the substance does not otherwise use, manufacture, package for sale, or sell the substance in this state.
- (b) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
- (i) "Agricultural crop protection product" means a chemical regulated under the federal insecticide, fungicide, and rodenticide act, 7 U.S.C. Sec. 136 as amended as of the effective date of this section, when used to prevent, destroy, repel, mitigate, or control predators, diseases, weeds, or other pests.
- (ii) "Certified applicator" has the same meaning as provided in RCW 17.21.020.
 - (iii) "Farmer" has the same meaning as in RCW 82.04.213.
- (iv) "Manufacturing" includes mixing or combining agricultural crop protection products with other chemicals or other agricultural crop protection products.
- (v) "Package for sale" includes transferring agricultural crop protection products from one container to another, including the transfer of fumigants and other liquid or gaseous chemicals from one tank to another.
 - (vi) "Use" has the same meaning as in RCW 82.12.010.
- (6) Persons or activities which the state is prohibited from taxing under the United States Constitution.

(((6) Any persons possessing a hazardous substance where such possession first occurred before March 1, 1989.))

PART XX

Concerning the Taxation of Certain Rented Property Owned by Nonprofit Fair Associations

<u>NEW SECTION.</u> **Sec. 2001.** (1) This section is the tax preference performance statement for the tax preference contained in section 2002 of this act. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

- (2) The legislature categorizes this tax preference as intended to accomplish a general purpose not identified in RCW 82.32.808(2) (a) through (e).
- (3) It is the legislature's specific public policy objective to support nonprofit fairs that obtained a majority of their property from a city or county between 1995 and 1998. The legislature intends to make their property tax exemption permanent, while requiring the collection of leasehold excise tax on any rentals of their exempt property that exceed fifty consecutive days. Because the legislature intends for the changes in this Part XX to be permanent, they are exempt from the ten-year expiration provision in RCW 82.32.805(1)(a).

Sec. 2002. RCW 84.36.480 and 2013 c 212 s 2 are each amended to read as follows:

- (1) Except as provided otherwise in subsections (2) and (3) of this section, the real and personal property of a nonprofit fair association that sponsors or conducts a fair or fairs that is eligible to receive support from the fair fund, as created in RCW 15.76.115 and allocated by the director of the department of agriculture, is exempt from taxation. To be exempt under this subsection (1), the property must be used exclusively for fair purposes, except as provided in RCW 84.36.805. However, the loan or rental of property otherwise exempt under this section to a private concessionaire or to any person for use as a concession in conjunction with activities permitted under this section ((shall)) do not nullify the exemption if the concession charges are subject to agreement and the rental income, if any, is reasonable and is devoted solely to the operation and maintenance of the property.
- (2)(a) Except as provided otherwise in this subsection and subsection (3) of this section, the real and personal property owned by a nonprofit fair association organized under chapter 24.06 RCW and used for fair purposes is exempt from taxation if the majority of such property, as determined by assessed value, was purchased or acquired by the same nonprofit fair association from a county or a city between 1995 and 1998.
- (b) ((The exemption under this subsection (2) may not be claimed for taxes levied for collection in 2019 and thereafter.)) The use of exempt property for rental purposes does not negate the exemption under this subsection. However, any rental exceeding fifty consecutive days during any calendar year is subject to leasehold excise tax under chapter 82.29A RCW. For purposes of this subsection, "rental" means a lease, permit, license, or any other agreement

granting possession and use, to a degree less than fee simple ownership, between the nonprofit fair association and a person who would not be exempt from property taxes if that person owned the property in fee.

- (3) A nonprofit fair association with real and personal property having an assessed value of more than fifteen million dollars is not eligible for the exemptions under this section.
- **Sec. 2003.** RCW 82.29A.020 and 2014 c 207 s 3 and 2014 c 140 s 26 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this chapter unless the context requires otherwise.

- (1)(a) "Leasehold interest" means an interest in publicly owned, or specified privately owned, real or personal property which exists by virtue of any lease, permit, license, or any other agreement, written or verbal, between the ((publie)) owner of the property and a person who would not be exempt from property taxes if that person owned the property in fee, granting possession and use, to a degree less than fee simple ownership. However, no interest in personal property (excluding land or buildings) which is owned by the United States, whether or not as trustee, or by any foreign government may constitute a leasehold interest hereunder when the right to use such property is granted pursuant to a contract solely for the manufacture or production of articles for sale to the United States or any foreign government. The term "leasehold interest" includes the rights of use or occupancy by others of property which is owned in fee or held in trust by a public corporation, commission, or authority created under RCW 35.21.730 or 35.21.660 if the property is listed on or is within a district listed on any federal or state register of historical sites.
 - (b) The term "leasehold interest" does not include:
- (i) Road or utility easements, rights of access, occupancy, or use granted solely for the purpose of removing materials or products purchased from ((a publie)) an owner or the lessee of ((a publie)) an owner, or rights of access, occupancy, or use granted solely for the purpose of natural energy resource exploration; or
- (ii) The preferential use of publicly owned cargo cranes and docks and associated areas used in the loading and discharging of cargo located at a port district marine facility. "Preferential use" means that publicly owned real or personal property is used by a private party under a written agreement with the public owner, but the public owner or any third party maintains a right to use the property when not being used by the private party.
- (((e) "Publicly owned real or personal property" includes real or personal property owned by a federally recognized Indian tribe in the state and exempt from tax under RCW 84.36.010.))
- (2)(a) "Taxable rent" means contract rent as defined in (c) of this subsection in all cases where the lease or agreement has been established or renegotiated through competitive bidding, or negotiated or renegotiated in accordance with statutory requirements regarding the rent payable, or negotiated or renegotiated under circumstances, established by public record, clearly showing that the contract rent was the maximum attainable by the lessor. With respect to a leasehold interest in privately owned property, "taxable rent" means contract rent. However, after January 1, 1986, with respect to any lease which has been in effect for ten years or more without renegotiation, taxable rent may be

established by procedures set forth in (g) of this subsection. All other leasehold interests are subject to the determination of taxable rent under the terms of (g) of this subsection.

- (b) For purposes of determining leasehold excise tax on any lands on the Hanford reservation subleased to a private or public entity by the department of ecology, taxable rent includes only the annual cash rental payment made by such entity to the department of ecology as specifically referred to as rent in the sublease agreement between the parties and does not include any other fees, assessments, or charges imposed on or collected by such entity irrespective of whether the private or public entity pays or collects such other fees, assessments, or charges as specified in the sublease agreement.
- (c) "Contract rent" means the amount of consideration due as payment for a leasehold interest, including: The total of cash payments made to the lessor or to another party for the benefit of the lessor according to the requirements of the lease or agreement, including any rents paid by a sublessee; expenditures for the protection of the lessor's interest when required by the terms of the lease or agreement; and expenditures for improvements to the property to the extent that such improvements become the property of the lessor. Where the consideration conveyed for the leasehold interest is made in combination with payment for concession or other rights granted by the lessor, only that portion of such payment which represents consideration for the leasehold interest is part of contract rent.
- (d) "Contract rent" does not include: (i) Expenditures made by the lessee, which under the terms of the lease or agreement, are to be reimbursed by the lessor to the lessee or expenditures for improvements and protection made pursuant to a lease or an agreement which requires that the use of the improved property be open to the general public and that no profit will inure to the lessee from the lease; (ii) expenditures made by the lessee for the replacement or repair of facilities due to fire or other casualty including payments for insurance to provide reimbursement for losses or payments to a public or private entity for protection of such property from damage or loss or for alterations or additions made necessary by an action of government taken after the date of the execution of the lease or agreement; (iii) improvements added to publicly owned property by a sublessee under an agreement executed prior to January 1, 1976, which have been taxed as personal property of the sublessee prior to January 1, 1976, or improvements made by a sublessee of the same lessee under a similar agreement executed prior to January 1, 1976, and such improvements are taxable to the sublessee as personal property; (iv) improvements added to publicly owned property if such improvements are being taxed as personal property to any person.
- (e) Any prepaid contract rent is considered to have been paid in the year due and not in the year actually paid with respect to prepayment for a period of more than one year. Expenditures for improvements with a useful life of more than one year which are included as part of contract rent must be treated as prepaid contract rent and prorated over the useful life of the improvement or the remaining term of the lease or agreement if the useful life is in excess of the remaining term of the lease or agreement. Rent prepaid prior to January 1, 1976, must be prorated from the date of prepayment.

- (f) With respect to a "product lease", the value is that value determined at the time of sale under terms of the lease.
- (g) If it is determined by the department of revenue, upon examination of a lessee's accounts or those of a lessor of publicly owned property, that a lessee is occupying or using publicly owned property in such a manner as to create a leasehold interest and that such leasehold interest has not been established through competitive bidding, or negotiated in accordance with statutory requirements regarding the rent payable, or negotiated under circumstances, established by public record, clearly showing that the contract rent was the maximum attainable by the lessor, the department may establish a taxable rent computation for use in determining the tax payable under authority granted in this chapter based upon the following criteria: (i) Consideration must be given to rental being paid to other lessors by lessees of similar property for similar purposes over similar periods of time; (ii) consideration must be given to what would be considered a fair rate of return on the market value of the property leased less reasonable deductions for any restrictions on use, special operating requirements or provisions for concurrent use by the lessor, another person or the general public.
- (3) "Product lease" as used in this chapter means a lease of property for use in the production of agricultural or marine products, not including the production of marijuana as defined in RCW 69.50.101, to the extent that such lease provides for the contract rent to be paid by the delivery of a stated percentage of the production of such agricultural or marine products to the credit of the lessor or the payment to the lessor of a stated percentage of the proceeds from the sale of such products.
- (4) "Renegotiated" means a change in the lease agreement which changes the agreed time of possession, restrictions on use, the rate of the cash rental or of any other consideration payable by the lessee to or for the benefit of the lessor, other than any such change required by the terms of the lease or agreement. In addition "renegotiated" means a continuation of possession by the lessee beyond the date when, under the terms of the lease agreement, the lessee had the right to vacate the premises without any further liability to the lessor.
 - (5) "City" means any city or town.
- (6) "Products" includes natural resource products such as cut or picked evergreen foliage, Cascara bark, wild edible mushrooms, native ornamental trees and shrubs, ore and minerals, natural gas, geothermal water and steam, and forage removed through the grazing of livestock.
- (7) "Publicly owned, or specified privately owned, real or personal property" includes real or personal property:
- (a) Owned in fee or held in trust by a public entity and exempt from property tax under the laws or Constitution of this state or the Constitution of the United States:
- (b) Owned by a federally recognized Indian tribe in the state and exempt from property tax under RCW 84.36.010;
- (c) Owned by a nonprofit fair association exempt from property tax under RCW 84.36.480(2), but only with respect to that portion of the fair's property subject to the tax imposed in this chapter pursuant to RCW 84.36.480(2)(b); or
- (d) Owned by a community center exempt from property tax under RCW 84.36.010.

Sec. 2004. RCW 82.29A.020 and 2014 c 140 s 26 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context requires otherwise.

- (1)(a) "Leasehold interest" means an interest in publicly owned, or specified privately owned, real or personal property which exists by virtue of any lease, permit, license, or any other agreement, written or verbal, between the ((publie)) owner of the property and a person who would not be exempt from property taxes if that person owned the property in fee, granting possession and use, to a degree less than fee simple ownership. However, no interest in personal property (excluding land or buildings) which is owned by the United States, whether or not as trustee, or by any foreign government may constitute a leasehold interest hereunder when the right to use such property is granted pursuant to a contract solely for the manufacture or production of articles for sale to the United States or any foreign government. The term "leasehold interest" includes the rights of use or occupancy by others of property which is owned in fee or held in trust by a public corporation, commission, or authority created under RCW 35.21.730 or 35.21.660 if the property is listed on or is within a district listed on any federal or state register of historical sites.
 - (b) The term "leasehold interest" does not include:
- (i) Road or utility easements, rights of access, occupancy, or use granted solely for the purpose of removing materials or products purchased from ((a publie)) an owner or the lessee of ((a publie)) an owner, or rights of access, occupancy, or use granted solely for the purpose of natural energy resource exploration((."Leasehold interest" does not include)); or
- (ii) The preferential use of publicly owned cargo cranes and docks and associated areas used in the loading and discharging of cargo located at a port district marine facility. "Preferential use" means that publicly owned real or personal property is used by a private party under a written agreement with the public owner, but the public owner or any third party maintains a right to use the property when not being used by the private party.
- (2)(a) "Taxable rent" means contract rent as defined in (c) of this subsection in all cases where the lease or agreement has been established or renegotiated through competitive bidding, or negotiated or renegotiated in accordance with statutory requirements regarding the rent payable, or negotiated or renegotiated under circumstances, established by public record, clearly showing that the contract rent was the maximum attainable by the lessor. With respect to a leasehold interest in privately owned property, "taxable rent" means contract rent. However, after January 1, 1986, with respect to any lease which has been in effect for ten years or more without renegotiation, taxable rent may be established by procedures set forth in (g) of this subsection. All other leasehold interests are subject to the determination of taxable rent under the terms of (g) of this subsection.
- (b) For purposes of determining leasehold excise tax on any lands on the Hanford reservation subleased to a private or public entity by the department of ecology, taxable rent includes only the annual cash rental payment made by such entity to the department of ecology as specifically referred to as rent in the sublease agreement between the parties and does not include any other fees, assessments, or charges imposed on or collected by such entity irrespective of

whether the private or public entity pays or collects such other fees, assessments, or charges as specified in the sublease agreement.

- (c) "Contract rent" means the amount of consideration due as payment for a leasehold interest, including: The total of cash payments made to the lessor or to another party for the benefit of the lessor according to the requirements of the lease or agreement, including any rents paid by a sublessee; expenditures for the protection of the lessor's interest when required by the terms of the lease or agreement; and expenditures for improvements to the property to the extent that such improvements become the property of the lessor. Where the consideration conveyed for the leasehold interest is made in combination with payment for concession or other rights granted by the lessor, only that portion of such payment which represents consideration for the leasehold interest is part of contract rent.
- (d) "Contract rent" does not include: (i) Expenditures made by the lessee, which under the terms of the lease or agreement, are to be reimbursed by the lessor to the lessee or expenditures for improvements and protection made pursuant to a lease or an agreement which requires that the use of the improved property be open to the general public and that no profit will inure to the lessee from the lease; (ii) expenditures made by the lessee for the replacement or repair of facilities due to fire or other casualty including payments for insurance to provide reimbursement for losses or payments to a public or private entity for protection of such property from damage or loss or for alterations or additions made necessary by an action of government taken after the date of the execution of the lease or agreement; (iii) improvements added to publicly owned property by a sublessee under an agreement executed prior to January 1, 1976, which have been taxed as personal property of the sublessee prior to January 1, 1976, or improvements made by a sublessee of the same lessee under a similar agreement executed prior to January 1, 1976, and such improvements are taxable to the sublessee as personal property; (iv) improvements added to publicly owned property if such improvements are being taxed as personal property to any person.
- (e) Any prepaid contract rent is considered to have been paid in the year due and not in the year actually paid with respect to prepayment for a period of more than one year. Expenditures for improvements with a useful life of more than one year which are included as part of contract rent must be treated as prepaid contract rent and prorated over the useful life of the improvement or the remaining term of the lease or agreement if the useful life is in excess of the remaining term of the lease or agreement. Rent prepaid prior to January 1, 1976, must be prorated from the date of prepayment.
- (f) With respect to a "product lease", the value is that value determined at the time of sale under terms of the lease.
- (g) If it is determined by the department of revenue, upon examination of a lessee's accounts or those of a lessor of publicly owned property, that a lessee is occupying or using publicly owned property in such a manner as to create a leasehold interest and that such leasehold interest has not been established through competitive bidding, or negotiated in accordance with statutory requirements regarding the rent payable, or negotiated under circumstances, established by public record, clearly showing that the contract rent was the maximum attainable by the lessor, the department may establish a taxable rent

computation for use in determining the tax payable under authority granted in this chapter based upon the following criteria: (i) Consideration must be given to rental being paid to other lessors by lessees of similar property for similar purposes over similar periods of time; (ii) consideration must be given to what would be considered a fair rate of return on the market value of the property leased less reasonable deductions for any restrictions on use, special operating requirements or provisions for concurrent use by the lessor, another person or the general public.

- (3) "Product lease" as used in this chapter means a lease of property for use in the production of agricultural or marine products, not including the production of marijuana as defined in RCW 69.50.101, to the extent that such lease provides for the contract rent to be paid by the delivery of a stated percentage of the production of such agricultural or marine products to the credit of the lessor or the payment to the lessor of a stated percentage of the proceeds from the sale of such products.
- (4) "Renegotiated" means a change in the lease agreement which changes the agreed time of possession, restrictions on use, the rate of the cash rental or of any other consideration payable by the lessee to or for the benefit of the lessor, other than any such change required by the terms of the lease or agreement. In addition "renegotiated" means a continuation of possession by the lessee beyond the date when, under the terms of the lease agreement, the lessee had the right to vacate the premises without any further liability to the lessor.
 - (5) "City" means any city or town.
- (6) "Products" includes natural resource products such as cut or picked evergreen foliage, Cascara bark, wild edible mushrooms, native ornamental trees and shrubs, ore and minerals, natural gas, geothermal water and steam, and forage removed through the grazing of livestock.
- (7) "Publicly owned, or specified privately owned, real or personal property" includes real or personal property:
- (a) Owned in fee or held in trust by a public entity and exempt from property tax under the laws or Constitution of this state or the Constitution of the United States:
- (b) Owned by a federally recognized Indian tribe in the state and exempt from property tax under RCW 84.36.010;
- (c) Owned by a nonprofit fair association exempt from property tax under RCW 84.36.480(2), but only with respect to that portion of the fair's property subject to the tax imposed in this chapter pursuant to RCW 84.36.480(2)(b); or
- (d) Owned by a community center exempt from property tax under RCW 84.36.010.
- Sec. 2005. RCW 82.29A.030 and 2010 c 281 s 3 are each amended to read as follows:
- (1)(((a))) There is levied and collected a leasehold excise tax on the act or privilege of occupying or using publicly owned, or specified privately owned, real or personal property ((or real or personal property of a community center)) through a leasehold interest on and after January 1, 1976, at a rate of twelve percent of taxable rent. However, after the computation of the tax a credit is allowed for any tax collected pursuant to RCW 82.29A.040.
- (((b) For the purposes of this subsection, "community center" has the same meaning as provided in RCW 84.36.010.))

- (2) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section.
- **Sec. 2006.** RCW 82.29A.040 and 1975-'76 2nd ex.s. c 61 s 4 are each amended to read as follows:
- (1) The legislative body of any county or city is hereby authorized to levy and collect a leasehold excise tax on the act or privilege of occupying or using publicly owned, or specified privately owned, real or personal property through a leasehold interest ((in publicly owned property)) within the territorial limits of such county or city. The tax levied by a county under authority of this section shall not exceed six percent and the tax levied by a city shall not exceed four percent of taxable rent((: PROVIDED, That)). However, any county ordinance levying such tax shall contain a provision allowing a credit against the county tax for the full amount of any city tax imposed upon the same taxable event.
- (2) The department of revenue shall perform the collection of such taxes on behalf of such county or city.

<u>NEW SECTION.</u> **Sec. 2007.** Sections 2003, 2005, and 2006 of this act apply with respect to taxable rent, as defined in RCW 82.29A.020, payable on or after the effective date of this section.

<u>NEW SECTION.</u> **Sec. 2008.** Section 2002 of this act applies to taxes levied for collection in 2019 and thereafter.

PART XXI

Improving the Administration of Unclaimed Property Laws

Sec. 2101. RCW 63.29.020 and 2011 c 116 s 1 are each amended to read as follows:

- (1) Except as otherwise provided by this chapter, all intangible property, including any income or increment derived therefrom, less any lawful charges, that is held, issued, or owing in the ordinary course of the holder's business and has remained unclaimed by the owner for more than three years after it became payable or distributable is presumed abandoned.
- (2) Property, with the exception of unredeemed Washington state lottery tickets and unpresented winning parimutuel tickets, is payable and distributable for the purpose of this chapter notwithstanding the owner's failure to make demand or to present any instrument or document required to receive payment.
- (3) This chapter does not apply to claims drafts issued by insurance companies representing offers to settle claims unliquidated in amount or settled by subsequent drafts or other means.
 - (4) This chapter does not apply to property covered by chapter 63.26 RCW.
- (5) This chapter does not apply to used clothing, umbrellas, bags, luggage, or other used personal effects if such property is disposed of by the holder as follows:
- (a) In the case of personal effects of negligible value, the property is destroyed; or
 - (b) The property is donated to a bona fide charity.
- (6) This chapter does not apply to a gift certificate ((subject to the prohibition against expiration dates under RCW 19.240.020 or to a gift

- eertificate subject to RCW 19.240.030 through 19.240.060. However, this chapter applies to)) lawfully issued under chapter 19.240 RCW, except lawfully issued gift certificates presumed abandoned under RCW 63.29.110. Nothing in this section limits the application of chapter 19.240 RCW.
- (7) Except as provided in RCW 63.29.350, this chapter does not apply to excess proceeds held by counties, cities, towns, and other municipal or quasimunicipal corporations from foreclosures for delinquent property taxes, assessments, or other liens.
- (8)(a) This chapter does not apply to a premium paid by an agricultural fair by check.
 - (b) For the purposes of this subsection the following definitions apply:
- (i) "Agricultural fair" means a fair or exhibition that is intended to promote agriculture by including a balanced variety of exhibits of livestock and agricultural products, as well as related manufactured products and arts, including: Products of the farm home and educational contests, displays, and demonstrations designed to train youth and to promote the welfare of farmers and rural living; and
- (ii) "Premium" means an amount paid for exhibits and educational contests, displays, and demonstrations of an educational nature. A "premium" does not include judges' fees and expenses; livestock sale revenues; or prizes or amounts paid for promotion or entertainment activities such as queen contests, parades, dances, rodeos, and races.
- **Sec. 2102.** RCW 63.29.140 and 2004 c 168 s 15 are each amended to read as follows:
- (1) A gift certificate or a credit memo issued in the ordinary course of an issuer's business which remains unclaimed by the owner for more than three years after becoming payable or distributable is presumed abandoned.
- (2) In the case of a gift certificate, the amount presumed abandoned is the price paid by the purchaser for the gift certificate. In the case of a credit memo, the amount presumed abandoned is the amount credited to the recipient of the memo
- (3) A gift certificate that is <u>lawfully issued under chapter 19.240 RCW and that is</u> presumed abandoned under this section may, but need not be, included in the report as provided under RCW 63.29.170(4). ((If a gift certificate that is presumed abandoned under this section is not timely reported as provided under RCW 63.29.170(4), RCW 19.240.005 through 19.240.110 apply to the gift certificate.))
- **Sec. 2103.** RCW 63.29.170 and 2004 c 168 s 16 are each amended to read as follows:
- (1) A person holding property presumed abandoned and subject to custody as unclaimed property under this chapter ((shall)) must report to the department concerning the property as provided in this section.
 - (2) The report must be verified and must include:
- (a) Except with respect to travelers checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of property with a value of more than fifty dollars presumed abandoned under this chapter;

- (b) In the case of unclaimed funds of more than fifty dollars held or owing under any life or endowment insurance policy or annuity contract, the full name and last known address of the insured or annuitant and of the beneficiary according to the records of the insurance company holding or owing the funds;
- (c) In the case of the contents of a safe deposit box or other safekeeping repository or in the case of other tangible property, a description of the property and the place where it is held and where it may be inspected by the department, and any amounts owing to the holder;
- (d) The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, but items with a value of fifty dollars or less each may be reported in the aggregate;
- (e) The date the property became payable, demandable, or returnable, and the date of the last transaction with the apparent owner with respect to the property; and
- (f) Other information the department prescribes by rule as necessary for the administration of this chapter.
- (3) If the person holding property presumed abandoned and subject to custody as unclaimed property is a successor to other persons who previously held the property for the apparent owner or the holder has changed his or her name while holding the property, the holder shall file with the report all known names and addresses of each previous holder of the property.
- (4) The report must be filed before November 1st of each year and shall include, except as provided in RCW 63.29.140(3), all property presumed abandoned and subject to custody as unclaimed property under this chapter that is in the holder's possession as of the preceding June 30th. On written request by any person required to file a report, the department may postpone the reporting date.
- (5)(a) Beginning July 1, 2016, reports due under this section must be filed electronically in a form or manner provided or authorized by the department. However, the department, upon request or its own initiative, may relieve any holder or class of holders from the electronic filing requirement under this subsection for good cause as determined by the department.
 - (b) For purposes of this subsection, "good cause" means:
- (i) A circumstance or condition exists that, in the department's judgment, prevents the holder from electronically filing the report due under this section; or
- (ii) The department determines that relief from the electronic filing requirement under this subsection supports the efficient or effective administration of this chapter.
- (6) After May 1st, but before August 1st, of each year in which a report is required by this section, the holder in possession of property presumed abandoned and subject to custody as unclaimed property under this chapter ((shall)) must send written notice to the apparent owner at the last known address informing him or her that the holder is in possession of property subject to this chapter if:
- (a) The holder has in its records an address for the apparent owner which the holder's records do not disclose to be inaccurate;
- (b) The claim of the apparent owner is not barred by the statute of limitations; and
 - (c) The property has a value of more than seventy-five dollars.

Sec. 2104. RCW 63.29.180 and 2005 c 367 s 2 are each amended to read as follows:

- (1) The department ((shall)) <u>must</u> cause a notice to be published not later than November 1st, immediately following the report required by RCW 63.29.170 in <u>the printed or online version of</u> a newspaper of general circulation within this state, which the department determines is most likely to give notice to the apparent owner of the property.
- (2) The published notice must be entitled "Notice to Owners of Unclaimed Property" and contain a summary explanation of how owners may obtain information about unclaimed property reported to the department.
- (3) Not later than September 1st, immediately following the report required by RCW 63.29.170, the department ((shall)) must mail a notice to each person whose last known address is listed in the report and who appears to be entitled to property with a value of more than seventy-five dollars presumed abandoned under this chapter and any beneficiary of a life or endowment insurance policy or annuity contract for whom the department has a last known address. The department is not required to mail notice under this subsection if the address listed in the report appears to the department to be insufficient for the purpose of the delivery of mail.
 - (4) The mailed notice must contain:
- (a) A statement that, according to a report filed with the department, property is being held to which the addressee appears entitled; and
- (b) The name of the person reporting the property and the type of property described in the report.
- (5) This section is not applicable to sums payable on travelers checks, money orders, and other written instruments presumed abandoned under RCW 63.29.040.
- **Sec. 2105.** RCW 63.29.190 and 2005 c 502 s 4, 2005 c 367 s 3, and 2005 c 285 s 2 are each reenacted and amended to read as follows:
- (1)(a) Except as otherwise provided in subsections (2) and (3) of this section, a person who is required to file a report under RCW 63.29.170 ((shall)) must pay or deliver to the department all abandoned property required to be reported at the time of filing the report. Beginning July 1, 2016, holders who are required to file a report electronically under this chapter must remit payments under this section by electronic funds transfer or other form of electronic payment acceptable to the department. However, the department, upon request or its own initiative, may relieve any holder or class of holders from the electronic payment requirement under this subsection for good cause as determined by the department.
 - (b) For purposes of this subsection, "good cause" means:
- (i) A circumstance or condition exists that, in the department's judgment, prevents the holder from remitting payments due under this section electronically; or
- (ii) The department determines that relief from the electronic payment requirement under this subsection supports the efficient or effective administration of this chapter.
- (2)(a) Counties, cities, towns, and other municipal and quasi-municipal corporations that hold funds representing warrants canceled pursuant to RCW 36.22.100 and 39.56.040, uncashed checks, and property tax overpayments or

refunds may retain the funds until the owner notifies them and establishes ownership as provided in RCW 63.29.135. Counties, cities, towns, or other municipal or quasi-municipal corporations ((shall)) must provide to the department a report of property it is holding pursuant to this section. The report ((shall)) must identify the property and owner in the manner provided in RCW 63.29.170 and the department ((shall)) must publish the information as provided in RCW 63.29.180.

- (b)(i) A public transportation authority that holds funds representing value on abandoned fare cards may retain the funds until the owner notifies the authority and establishes ownership as provided in RCW 63.29.135.
- (ii) For the purposes of this subsection (2)(b), "public transportation authority" means a municipality, as defined in RCW 35.58.272, a regional transit authority authorized by chapter 81.112 RCW, a public mass transportation system authorized by chapter 47.60 RCW, or a city transportation authority authorized by chapter 35.95A RCW.
- (3)(a) The contents of a safe deposit box or other safekeeping repository presumed abandoned under RCW 63.29.160 and reported under RCW 63.29.170 ((shall)) must be paid or delivered to the department within six months after the final date for filing the report required by RCW 63.29.170.
- (b) If the owner establishes the right to receive the abandoned property to the satisfaction of the holder before the property has been delivered or it appears that for some other reason the presumption of abandonment is erroneous, the holder need not pay or deliver the property to the department, and the property will no longer be presumed abandoned. In that case, the holder ((shall)) must file with the department a verified written explanation of the proof of claim or of the error in the presumption of abandonment.
- (4) The holder of an interest under RCW 63.29.100 ((shall)) must deliver a duplicate certificate or other evidence of ownership if the holder does not issue certificates of ownership to the department. Upon delivery of a duplicate certificate to the department, the holder and any transfer agent, registrar, or other person acting for or on behalf of a holder in executing or delivering the duplicate certificate is relieved of all liability of every kind in accordance with RCW 63.29.200 to every person, including any person acquiring the original certificate or the duplicate of the certificate issued to the department, for any losses or damages resulting to any person by the issuance and delivery to the department of the duplicate certificate.
- **Sec. 2106.** RCW 63.29.290 and 1983 c 179 s 29 are each amended to read as follows:
- (1) The expiration, after September 1, 1979, of any period of time specified by contract, statute, or court order, during which a claim for money or property can be made or during which an action or proceeding may be commenced or enforced to obtain payment of a claim for money or to recover property, does not prevent the money or property from being presumed abandoned or affect any duty to file a report or to pay or deliver abandoned property to the department as required by this chapter.
- (2) Except as otherwise provided in this section, no action or proceeding may be commenced by the department with respect to any duty of a holder under this chapter more than six years after the duty arose.

- (3) No action or proceeding may be commenced by the department with respect to any assessment under this chapter more than three years after the later of (a) the due date for payment of the assessment including any extension granted by the department or (b) thirty days after the final decision on any petition for review under section 2111 of this act.
- **Sec. 2107.** RCW 63.29.300 and 1983 c 179 s 30 are each amended to read as follows:
- (1) The department may require any person who has not filed a report to file a verified report stating whether or not the person is holding any unclaimed property reportable or deliverable under this chapter. Nothing in this chapter requires reporting of property which is not subject to payment or delivery.
- (2) The department, at reasonable times and upon reasonable notice, may examine the records of any person to determine whether the person has complied with the provisions of this chapter. The department may conduct the examination even if the person believes it is not in possession of any property reportable or deliverable under this chapter.
- (3) If a person is treated under RCW 63.29.120 as the holder of the property only insofar as the interest of the business association in the property is concerned, the department, pursuant to subsection (2) of this section, may examine the records of the person if the department has given the notice required by subsection (2) of this section to both the person and the business association at least ninety days before the examination.
- (4) Material obtained by any person during any examination authorized under this chapter, or whether the holder was, is being, or will be examined or subject to an examination, is confidential information and may not be disclosed to any person except as provided in RCW 63.29.380.
- (5) If an examination of the records of a person results in the disclosure of property reportable and <u>payable or</u> deliverable under this chapter, the department <u>must assess against the person the amount that should have been reported and paid as determined or approved by the department. An assessment must also include a demand to deliver any property that should have been reported and delivered to the department under this chapter. The assessment must include interest and penalties as provided in RCW 63.29.340. The department may assess the cost of the examination against the holder at the rate of one hundred forty dollars a day for each examiner, but in no case may the charges exceed the lesser of three thousand dollars or the value of the property found to be reportable and <u>payable or</u> deliverable. No assessment ((shall)) for costs may be imposed ((where)) when the person proves that failure to report and deliver property was inadvertent. The cost of examination made pursuant to subsection (3) of this section may be imposed only against the business association.</u>
- (((5))) (6) If a holder fails after June 30, 1983, to maintain the records required by RCW 63.29.310 and the records of the holder available for the periods subject to this chapter are insufficient to permit the preparation of a report, the department may ((require the holder to report and pay)) assess such amounts as may reasonably be estimated from any available records.
- (7)(a) Except as provided in (b) of this subsection, all amounts and property identified in any assessment issued by the department under this section must be paid or delivered to the department within thirty days of issuance.

- (b) If a timely petition for review of an assessment is filed with the department as provided in section 2111 of this act, only the uncontested amounts and property must be paid or delivered to the department within thirty days of the issuance of the assessment.
- **Sec. 2108.** RCW 63.29.340 and 2011 c 96 s 45 are each amended to read as follows:
- (1) A person who fails to pay or deliver property ((within the time preseribed by this chapter shall be)) when due is required to pay to the department interest at the rate as computed under RCW 82.32.050(2) from the date the property should have been paid or delivered until the property is paid or delivered((, unless)). However, the department must waive or cancel interest imposed under this subsection if:
- (a) The department finds that the failure to pay or deliver the property within the time prescribed by this chapter was the result of circumstances beyond the person's control sufficient for waiver or cancellation of interest under RCW 82.32.105.
- (b) The failure to timely pay or deliver the property within the time prescribed by this chapter was the direct result of written instructions given to the person by the department; or
- (c) The extension of a due date for payment or delivery under an assessment issued by the department was not at the person's request and was for the sole convenience of the department.
- (2) ((A person who willfully fails to render any report, to pay or deliver property, or to perform other duties required under this chapter shall pay a civil penalty of one hundred dollars for each day the report is withheld or the duty is not performed, but not more than five thousand dollars, plus one hundred percent of the value of the property which should have been reported, paid or delivered.
- (3) A person who willfully refuses after written demand by the department to pay or deliver property to the department as required under this chapter or who enters into a contract to avoid the duties of this chapter is guilty of a gross misdemeanor and upon conviction may be punished by a fine of not more than one thousand dollars or imprisonment for up to three hundred sixty-four days, or both.)) If a person fails to file any report or to pay or deliver any amounts or property when due under a report required under this chapter, there is assessed a penalty equal to ten percent of the amount unpaid and the value of any property not delivered.
- (3) If an examination results in an assessment for amounts unpaid or property not delivered, there is assessed a penalty equal to ten percent of the amount unpaid and the value of any property not delivered.
- (4) If a person fails to pay or deliver to the department by the due date any amounts or property due under an assessment issued by the department to the person, there is assessed an additional penalty of five percent of the amount unpaid and the value of any property not delivered.
- (5) Penalties under subsections (2) through (4) of this section may be waived or canceled only if the department finds that the failure to pay or deliver within the time prescribed by this chapter was the result of circumstances beyond the person's control sufficient for waiver or cancellation of penalties under RCW 82.32.105.

- (6) If a person willfully fails to file a report or to provide written notice to apparent owners as required under this chapter, the department may assess a civil penalty of one hundred dollars for each day the report is withheld or the notice is not sent, but not more than five thousand dollars.
- (7) If a holder, having filed a report, failed to file the report electronically as required by RCW 63.29.170, or failed to pay electronically any amounts due under the report as required by RCW 63.29.190, the department must assess a penalty equal to five percent of the amount payable or deliverable under the report, unless the department grants the taxpayer relief from the electronic filing and payment requirements. Total penalties assessed under this subsection may not exceed five percent of the amount payable and value of property deliverable under the report.
 - (8) The penalties imposed in this section are cumulative.

<u>NEW SECTION.</u> **Sec. 2109.** A new section is added to chapter 63.29 RCW to read as follows:

- (1) Except as otherwise provided in subsections (2) through (4) of this section, the department must waive all penalties and interest on amounts payable or property deliverable under this chapter if before November 1, 2016, the holder:
- (a) Completes an application for a penalty and interest waiver under this section in the form and manner prescribed by the department;
- (b) Files a report as required by this chapter that includes all property for which the penalty and interest wavier is requested; and
 - (c) Pays and delivers all amounts and property identified on that report.
- (2) This section does not apply to any amounts or property that have been paid, delivered, or reported to the department before July 1, 2015.
- (3) This section does not apply to any amounts or property included in an assessment or that have otherwise been identified through an investigation or examination.
- (4) Except as authorized under RCW 63.29.200, a holder may not seek a refund for any amounts or property paid or delivered to the department under this section, or otherwise challenge whether such amounts or property were properly due under this chapter.
- (5) All amounts reported, paid, and delivered under this section are subject to verification by the department. A grant by the department of any waiver under this section does not preclude assessment for amounts due or property deliverable that have not been paid or delivered to the department.
- (6) After October 31, 2016, if the department determines it is unable to effectively implement any of the mandatory penalty provisions of RCW 63.29.340 as amended by section 2108 of this act, the department may waive all mandatory penalties and interest under RCW 63.29.340 for all holders until October 31, 2017.
- (7) The department must publicize the availability of the penalty waivers provided in this section.
 - (8) This section expires January 1, 2018.

<u>NEW SECTION.</u> **Sec. 2110.** A new section is added to chapter 63.29 RCW to read as follows:

- (1)(a) If, upon receipt of an application by a holder for a refund or return of property, or upon an examination of the report or records of any holder, it is determined by the department that any amount, interest, or penalty has been paid in excess of that properly due under this chapter or that any property was delivered to the department under this chapter in error, then with the exception of amounts delivered by the department to a claimant under RCW 63.29.240, the excess amount must be refunded to the holder, or the property delivered in error returned to the holder, as the case may be.
- (b)(i) Except as otherwise provided in RCW 63.29.200(2) or this section, no refund or return of property may be made for any amount or property paid or delivered, or for any interest or penalty paid, more than six years after the end of the calendar year in which the payment or delivery occurred.
- (ii) The expiration of the limitations period in this subsection will not bar a refund or the return of property if a complete application for such refund or return of property was received by the department before the expiration of such limitations period.
- (2) The execution of a written waiver signed by the holder and the department will extend the time for making a refund of any amounts paid, or a return of property delivered in error, during, or attributable to, the years covered by the waiver if, prior to the expiration of the waiver period, a complete application for refund or return of such amounts or property is made by the holder or the department discovers a refund is due or a return of property under this section is required.
- (3) For purposes of subsections (1) and (2) of this section, an application for a refund or return of property is complete if it includes information the department deems sufficient to substantiate the holder's claim for a refund or return of property. If the department receives an incomplete application before the expiration of the limitations period in subsection (1)(b)(i) of this section or before the expiration of an applicable waiver period as authorized under subsection (2) of this section, the department must provide the holder written notice of the deficiencies of information in the application and grant the holder thirty days from the date of such notice to provide sufficient documentation to substantiate the holder's claim for a refund or return of property. The department may, at its sole discretion, grant a holder up to an additional ninety days to substantiate its claim and specify in a written notice the expiration date of such additional period. If the holder provides sufficient substantiation documentation to the department within the additional time granted but after the expiration of the limitations period in subsection (1)(b)(i) of this section or an applicable waiver period as authorized under subsection (2) of this section, the holder will be deemed to have provided a complete application before the expiration of such limitations or waiver period. This subsection (3) may not be interpreted as governing the administration of applications for refund or return of property other than for purposes of the limitations period established in this section.
- (4) Any such refunds must be made by means of vouchers approved by the department and by the issuance of state warrants drawn upon and payable from such funds as the legislature may provide. However, persons who are required to pay amounts due under this chapter electronically must have any refunds paid by electronic funds transfer if the department has the necessary account information to facilitate a refund by electronic funds transfer.

- (5) Any judgment for which a recovery is granted by any court of competent jurisdiction, not appealed from, for amounts, penalties, or interest paid by the holder, and costs, in a suit by any holder must be paid in the same manner, as provided in subsection (4) of this section, upon the filing with the department of a certified copy of the order or judgment of the court.
- (6) Interest at the rate computed under RCW 82.32.050(2) must be added to the amount of any refund allowed by the department or any court. Interest must be computed from the date the department received the excess payment, until the date the refund is issued.

<u>NEW SECTION.</u> **Sec. 2111.** A new section is added to chapter 63.29 RCW to read as follows:

Any person having been issued an assessment by the department, or a denial of an application for a refund or return of property, under the provisions of this chapter is entitled to a review by the department conducted in accordance with the provisions of RCW 34.05.410 through 34.05.494, subject to judicial review under RCW 34.05.510 through 34.05.598. A petition for review under this section is timely if received in writing by the department before the due date of the assessment, including any extension of the due date granted by the department, or in the case of a refund or return application, thirty days after the department rejects the application in writing, regardless of any subsequent action by the department to reconsider its initial decision. The period for filing a petition for review under this section may be extended as provided in a rule adopted by the department under chapter 34.05 RCW or upon a written agreement signed by the holder and the department.

<u>NEW SECTION.</u> **Sec. 2112.** A new section is added to chapter 63.29 RCW to read as follows:

- (1) Any person who has paid or delivered property to the department under the provisions of this chapter, except one who has failed to keep and preserve records as required in this chapter, feeling aggrieved by such payment or delivery, may appeal to the superior court of Thurston county. The person filing a notice of appeal under this section is deemed the plaintiff, and the department, the defendant.
 - (2) An appeal under this section must be made within:
 - (a) The time limitation for a refund provided in section 2110 of this act; or
- (b) Thirty days after the department rejects in writing an application for refund or return of property, regardless of any subsequent action by the department to reconsider its initial decision, if:
- (i) An application for refund or return of property has been made to the department within the time limitation provided in (a) of this subsection (2) or the limitation provided in RCW 63.29.200(2), as applicable; and
- (ii) The time limitation provided under this subsection (2)(b) is later than the time limitation provided in (a) of this subsection (2).
- (3)(a) In an appeal filed under this section, the plaintiff must set forth the amount or property, if any, payable or deliverable on the report or assessment that the plaintiff is contesting, which the holder concedes to be the correct amount payable or deliverable, and the reason why the amount payable or deliverable should be reduced or abated.

- (b) The appeal is perfected only by serving a copy of the notice of appeal upon the department and filing the original with proof of service with the clerk of the superior court of Thurston county, within the time specified in subsection (2) of this section.
- (4)(a) The trial in the superior court on appeal must be de novo and without the necessity of any pleadings other than the notice of appeal. At trial, the burden is on the plaintiff to (i) prove that the amount paid by that person is incorrect, either in whole or in part, or the property in question was delivered in error to the department, and (ii) establish the correct amount payable or the property required to be delivered to the department, if any.
- (b) Both parties are entitled to subpoena the attendance of witnesses as in other civil actions and to produce evidence that is competent, relevant, and material to determine the correct amount due, if any, that should be paid by the plaintiff.
- (c) Either party may seek appellate review in the same manner as other civil actions are appealed to the appellate courts.
- (5) An appeal may be maintained under this section without the need for the plaintiff to first:
- (a) Protest against the payment of any amount due or reportable under this chapter or to make any demand to have such amount refunded or returned; or
- (b) Petition the department for a refund, return of property, or a review of its action as authorized in section 2111 of this act.
- (6) No court action or proceeding of any kind may be maintained by the plaintiff to recover any amount paid, delivered, or reported to the department under this chapter, except as provided in this section or as may be available to the plaintiff under RCW 34.05.510 through 34.05.598.
- (7) No appeal may be maintained under this section with respect to matters reviewed by the department under the provisions of chapter 34.05 RCW.

<u>NEW SECTION.</u> **Sec. 2113.** A new section is added to chapter 63.29 RCW to read as follows:

- (1) The department may enter into an agreement in writing with any holder with respect to any duties under this chapter or any property or amounts due under this chapter, including penalties and interest.
- (2) Upon its execution by all parties, the agreement is final and conclusive as to the periods, property, and any other matters expressly covered by the agreement. Except upon a showing of fraud or malfeasance, or of misrepresentation of a material fact:
- (a) The agreement may not be reopened as to the matters agreed upon, nor may the agreement be modified, by any officer, employee, or agent of the state, or the holder; and
- (b) In any suit, action, or proceeding, such agreement, or any determination, assessment, collection, payment, abatement, or refund, or credit made in accordance with the agreement, may not be annulled, modified, set aside, or disregarded.
- (3) No agreement under this section may affect a holder's obligations to an owner or an owner's rights against a holder, except as expressly provided in RCW 63.29.200.
- (4) No agreement under this section may include any indemnification of any holder for amounts or property that has not been paid or delivered to the

department. Nothing in this subsection (4) may be construed to affect the finality and conclusiveness of any agreement under this section to the extent provided in subsection (2) of this section.

<u>NEW SECTION.</u> **Sec. 2114.** (1) Section 2101 of this act applies only with respect to gift certificates issued on or after the effective date of section 2101 of this act.

- (2) Section 2102 of this act applies only with respect to gift certificates issued on or after the effective date of section 2102 of this act.
- (3) Section 2106 of this act applies only with respect to original assessments issued on or after the effective date of section 2106 of this act.
- (4) Section 2108 of this act applies only with respect to reports initially due, or property initially payable or deliverable, or other duties that arise initially on or after the effective date of section 2108 of this act.
- (5) Section 2110 of this act applies only with respect to (a) requests for refund or the return of property, where the request is originally received by the department on or after the effective date of section 2110 of this act, and (b) excess payments or property improperly delivered, where such excess payments or improper delivery are discovered by the department on or after the effective date of section 2110 of this act.

PART XXII [NOT USED]

PART XXIII Miscellaneous Provisions

- <u>NEW SECTION.</u> **Sec. 2301.** (1) Except as provided otherwise in this section, 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 July 1, 2015.
- (2) Parts IV, VI, VIII, and XIX of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect September 1, 2015.
 - (3) Part X of this act takes effect October 1, 2016.
 - (4) Section 1105 of this act takes effect January 1, 2016.
- (5) Except for section 2004 of this act, Part XX of this act takes effect January 1, 2019.
 - (6) Section 2004 of this act takes effect January 1, 2022.

<u>NEW SECTION.</u> **Sec. 2302.** Part VII of 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 August 1, 2015.

NEW SECTION. Sec. 2303. Part VIII of this act expires July 1, 2019.

NEW SECTION. Sec. 2304. Section 1104 of this act expires January 1, 2016

NEW SECTION. Sec. 2305. Part XII of this act takes effect June 30, 2015.

<u>NEW SECTION.</u> **Sec. 2306.** Section 2003 of this act expires January 1, 2022.

<u>NEW SECTION.</u> Sec. 2307. (1) Section 2108 of this act takes effect July 1, 2016, unless the department of revenue determines that it is unable to efficiently and effectively implement any of the provisions of section 2108 of this act, in which case section 2108 of this act takes effect July 1, 2017.

(2) The department of revenue must provide written notice of the effective date of section 2108 of this act to the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the department, as well as post notice of the effective date on its public web site. The notice must be provided no later than June 1, 2016.

Passed by the Senate June 29, 2015. Passed by the House June 30, 2015. Approved by the Governor July 1, 2015. Filed in Office of Secretary of State July 2, 2015.

CHAPTER 7

[Second Engrossed Second Substitute House Bill 1491]

EARLY START ACT

AN ACT Relating to improving quality in the early care and education system; amending RCW 43.215.100, 43.215.135, 43.215.1352, 43.215.425, 43.215.415, 43.215.430, 43.215.455, 43.215.456, and 43.215.090; reenacting and amending RCW 43.215.200 and 43.215.010; adding new sections to chapter 43.215 RCW; creating new sections; repealing 2013 2nd sp.s. c 16 s 2 (uncodified); providing an effective date; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. INTENT. (1) The legislature finds that quality early care and education builds the foundation for a child's success in school and in life. The legislature acknowledges that a quality framework is necessary for the early care and education system in Washington. The legislature recognizes that empirical evidence supports the conclusion that high quality programs consistently yield more positive outcomes for children, with the strongest positive impacts on the most vulnerable children. The legislature acknowledges that critical developmental windows exist in early childhood, and low quality child care has damaging effects for children. The legislature further understands that the proper dosage, duration of programming, and stability of care are critical to enhancing program quality and improving child outcomes. The legislature acknowledges that the early care and education system should strive to address the needs of Washington's culturally and linguistically diverse populations. The legislature understands that parental choice and provider diversity are guiding principles for early learning programs.

(2) The legislature intends to prioritize the integration of child care and preschool in an effort to promote full day programming. The legislature further intends to reward quality and create incentives for providers to participate in a quality rating and improvement system that will also provide valuable information to parents regarding the quality of care available in their communities.

- Sec. 2. RCW 43.215.100 and 2013 c 323 s 6 are each amended to read as follows:
- (1) ((Subject to the availability of amounts appropriated for this specific purpose,)) The department, in collaboration with tribal governments and community and statewide partners, shall implement a ((voluntary)) quality rating and improvement system, called the early achievers program((, that)). The early achievers program provides a foundation of quality for the early care and education system. The early achievers program is applicable to licensed or certified child care centers and homes and early ((education)) learning programs such as working connections child care and early childhood education and assistance programs.
 - (2) The ((purpose)) objectives of the early achievers program ((is)) are to:
- (a) ((To)) Improve short-term and long-term educational outcomes for children as measured by assessments including, but not limited to, the Washington kindergarten inventory of developing skills in RCW 28A.655.080;
- (b) Give parents clear and easily accessible information about the quality of child care and early education programs((7));
- (c) Support improvement in early learning and child care programs throughout the state($(\frac{1}{2})$):
 - (d) Increase the readiness of children for school((, and));
 - (e) Close the ((disparity)) disparities in access to quality care;
- (f) Provide professional development and coaching opportunities to early child care and education providers; and (((b) to))
- (g) Establish a common set of expectations and standards that define, measure, and improve the quality of early learning and child care settings.
- (3)(a) Licensed or certified child care centers and homes serving nonschool age children and receiving state subsidy payments must participate in the early achievers program by the required deadlines established in RCW 43.215.135.
- (b) Approved early childhood education and assistance program providers receiving state-funded support must participate in the early achievers program by the required deadlines established in RCW 43.215.415.
 - (c) Participation in the early achievers program is voluntary for:
- (i) Licensed or certified child care centers and homes not receiving state subsidy payments; and
 - (ii) Early learning programs not receiving state funds.
- (d) School age child care providers are exempt from participating in the early achievers program. By July 1, 2017, the department and the office of the superintendent of public instruction shall jointly design a plan to incorporate school age child care providers into the early achievers program or other appropriate quality improvement system. To test implementation of the early achievers system for school age child care providers the department and the office of the superintendent of public instruction shall implement a pilot program.
- (4) ((By fiscal year 2015, Washington state preschool programs receiving state funds must enroll in the early achievers program and maintain a minimum score level.
- (5) Before final implementation of the early achievers program, the department shall report on program progress, as defined within the race to the top federal grant award, and expenditures to the appropriate policy and fiscal

- eommittees of the legislature.)) There are five levels in the early achievers program. Participants are expected to actively engage and continually advance within the program.
- (5) The department has the authority to determine the rating cycle for the early achievers program. The department shall streamline and eliminate duplication between early achievers standards and state child care rules in order to reduce costs associated with the early achievers rating cycle and child care licensing.
- (a) Early achievers program participants may request to be rated at any time after the completion of all level 2 activities.
- (b) The department shall provide an early achievers program participant an update on the participant's progress toward completing level 2 activities after the participant has been enrolled in the early achievers program for fifteen months.
 - (c) The first rating is free for early achievers program participants.
- (d) Each subsequent rating within the established rating cycle is free for early achievers program participants.
- (6)(a) Early achievers program participants may request to be rerated outside the established rating cycle.
- (b) The department may charge a fee for optional rerating requests made by program participants that are outside the established rating cycle.
- (c) Fees charged are based on, but may not exceed, the cost to the department for activities associated with the early achievers program.
- (7)(a) The department must create a single source of information for parents and caregivers to access details on a provider's early achievers program rating level, licensing history, and other indicators of quality and safety that will help parents and caregivers make informed choices.
- (b) The department shall publish to the department's web site, or offer a link on its web site to, the following information:
- (i) By November 1, 2015, early achievers program rating levels 1 through 5 for all child care programs that receive state subsidy, early childhood education and assistance programs, and federal head start programs in Washington; and
- (ii) New early achievers program ratings within thirty days after a program becomes licensed or certified, or receives a rating.
- (c) The early achievers program rating levels shall be published in a manner that is easily accessible to parents and caregivers and takes into account the linguistic needs of parents and caregivers.
- (d) The department must publish early achievers program rating levels for child care programs that do not receive state subsidy but have voluntarily joined the early achievers program.
- (e) Early achievers program participants who have published rating levels on the department's web site or on a link on the department's web site may include a brief description of their program, contingent upon the review and approval by the department, as determined by established marketing standards.
- (8)(a) The department shall create a professional development pathway for early achievers program participants to obtain a high school diploma or equivalency or higher education credential in early childhood education, early childhood studies, child development, or an academic field related to early care and education.

- (b) The professional development pathway must include opportunities for scholarships and grants to assist early achievers program participants with the costs associated with obtaining an educational degree.
- (c) The department shall address cultural and linguistic diversity when developing the professional development pathway.
- (9) The early achievers quality improvement awards shall be reserved for participants offering programs to an enrollment population consisting of at least five percent of children receiving a state subsidy.
- (10) In collaboration with tribal governments, community and statewide partners, and the early achievers review subcommittee created in RCW 43.215.090, the department shall develop a protocol for granting early achievers program participants an extension in meeting rating level requirement timelines outlined for the working connections child care program and the early childhood education and assistance program.
- (a) The department may grant extensions only under exceptional circumstances, such as when early achievers program participants experience an unexpected life circumstance.
- (b) Extensions shall not exceed six months, and early achievers program participants are only eligible for one extension in meeting rating level requirement timelines.
- (c) Extensions may only be granted to early achievers program participants who have demonstrated engagement in the early achievers program.
- (11)(a) The department shall accept national accreditation that meets the requirements of this subsection (11) as a qualification for the early achievers program ratings.
- (b) Each national accreditation agency will be allowed to submit its most current standards of accreditation to establish potential credit earned in the early achievers program. The department shall grant credit to accreditation bodies that can demonstrate that their standards meet or exceed the current early achievers program standards.
- (c) Licensed child care centers and child care home providers must meet national accreditation standards approved by the department for the early achievers program in order to be granted credit for the early achievers program standards. Eligibility for the early achievers program is not subject to bargaining, mediation, or interest arbitration under RCW 41.56.028, consistent with the legislative reservation of rights under RCW 41.56.028(4)(d).
- (12) The department shall explore the use of alternative quality assessment tools that meet the culturally specific needs of the federally recognized tribes in the state of Washington.
- (13) A child care or early learning program that is operated by a federally recognized tribe and receives state funds shall participate in the early achievers program. The tribe may choose to participate through an interlocal agreement between the tribe and the department. The interlocal agreement must reflect the government-to-government relationship between the state and the tribe, including recognition of tribal sovereignty. The interlocal agreement must provide that:
- (a) Tribal child care facilities and early learning programs may volunteer, but are not required, to be licensed by the department;

- (b) Tribal child care facilities and early learning programs are not required to have their early achievers program rating level published to the department's web site or through a link on the department's web site; and
- (c) Tribal child care facilities and early learning programs must provide notification to parents or guardians who apply for or have been admitted into their program that early achievers program rating level information is available and provide the parents or guardians with the program's early achievers program rating level upon request.
- (14) The department shall consult with the early achievers review subcommittee on all substantial policy changes to the early achievers program.
- (15) Nothing in this section changes the department's responsibility to collectively bargain over mandatory subjects or limits the legislature's authority to make programmatic modifications to licensed child care and early learning programs under RCW 41.56.028(4)(d).

<u>NEW SECTION.</u> **Sec. 3.** A new section is added to chapter 43.215 RCW to read as follows:

- (1) No later than November 1, 2016, the department shall implement a single set of licensing standards for child care and the early childhood education and assistance program. The department shall produce the single set of licensing standards within the department's available appropriations. The new licensing standards must:
- (a) Provide minimum health and safety standards for child care and preschool programs;
- (b) Rely on the standards established in the early achievers program to address quality issues in participating early childhood programs;
- (c) Take into account the separate needs of family care providers and child care centers; and
 - (d) Promote the continued safety of child care settings.
- (2) Private schools that operate early learning programs and do not receive state subsidy payments shall be subject only to the minimum health and safety standards in subsection (1)(a) of this section and the requirements necessary to assure a sufficient early childhood education to meet usual requirements needed for transition into elementary school. The state, and any agency thereof, shall not restrict or dictate any specific educational or other programs for early learning programs operated by private schools except for programs that receive state subsidy payments.
- **Sec. 4.** RCW 43.215.200 and 2011 c 359 s 2 and 2011 c 253 s 3 are each reenacted and amended to read as follows:

It shall be the director's duty with regard to licensing:

- (1) In consultation and with the advice and assistance of persons representative of the various type agencies to be licensed, to designate categories of child care facilities for which separate or different requirements shall be developed as may be appropriate whether because of variations in the ages and other characteristics of the children served, variations in the purposes and services offered or size or structure of the agencies to be licensed, or because of any other factor relevant thereto;
- (2)(a) In consultation with the state fire marshal's office, the director shall use an interagency process to address health and safety requirements for child

care programs that serve school age children and are operated in buildings that contain public or private schools that safely serve children during times in which school is in session;

- (b) Any requirements in (a) of this subsection as they relate to the physical facility, including outdoor playgrounds, do not apply to before-school and after-school programs that serve only school age children and operate in the same facilities used by public or private schools;
- (3) In consultation and with the advice and assistance of parents or guardians, and persons representative of the various type agencies to be licensed, to adopt and publish minimum requirements for licensing applicable to each of the various categories of agencies to be licensed under this chapter;
- (4) In consultation with law enforcement personnel, the director shall investigate the conviction record or pending charges of each agency and its staff seeking licensure or relicensure, and other persons having unsupervised access to children in care:
- (5) To satisfy the shared background check requirements provided for in RCW 43.215.215 and 43.20A.710, the department of early learning and the department of social and health services shall share federal fingerprint-based background check results as permitted under the law. The purpose of this provision is to allow both departments to fulfill their joint background check responsibility of checking any individual who may have unsupervised access to vulnerable adults, children, or juveniles. Neither department may share the federal background check results with any other state agency or person;
- (6) To issue, revoke, or deny licenses to agencies pursuant to this chapter. Licenses shall specify the category of care that an agency is authorized to render and the ages and number of children to be served;
- (7) To prescribe the procedures and the form and contents of reports necessary for the administration of this chapter and to require regular reports from each licensee;
- (8) To inspect agencies periodically to determine whether or not there is compliance with this chapter and the requirements adopted under this chapter;
- (9) To review requirements adopted under this chapter at least every two years and to adopt appropriate changes after consultation with affected groups for child day care requirements; and
- (10) To consult with public and private agencies in order to help them improve their methods and facilities for the care and early learning of children.

<u>NEW SECTION.</u> **Sec. 5.** A new section is added to chapter 43.215 RCW to read as follows:

- (b) During the first thirty months of implementation of the early achievers program the department shall prioritize the resources authorized in this section to assist providers rating at a level 2 in the early achievers program to help them reach a level 3 rating wherever access to subsidized care is at risk.
- (2) The protocol should address barriers to early achievers program participation and include at a minimum the following:
 - (a) The creation of a substitute pool;
- (b) The development of needs-based grants for providers at level 2 in the early achievers program to assist with purchasing curriculum development, instructional materials, supplies, and equipment to improve program quality.

Priority for the needs-based grants shall be given to culturally diverse and low-income providers;

- (c) The development of materials and assessments in a timely manner, and to the extent feasible, in the provider and family home languages; and
- (d) The development of flexibility in technical assistance and coaching structures to provide differentiated types and amounts of support to providers based on individual need and cultural context.
- **Sec. 6.** RCW 43.215.135 and 2013 c 323 s 9 are each amended to read as follows:
- (1) The department shall establish and implement policies in the working connections child care program to promote stability and quality of care for children from low-income households. These policies shall focus on supporting school readiness for young learners. Policies for the expenditure of funds constituting the working connections child care program must be consistent with the outcome measures defined in RCW 74.08A.410 and the standards established in this section intended to promote ((eontinuity of eare for children)) stability, quality, and continuity of early care and education programming.
- (2) ((Beginning in fiscal year 2013,)) As recommended by Public Law 113-186, authorizations for the working connections child care subsidy shall be effective for twelve months ((unless a change in circumstances necessitates reauthorization sooner than twelve months. The twelve month certification applies only if the enrollments in the child care subsidy or working connections child care program are capped.
- (3) Subject to the availability of amounts appropriated for this specific purpose, beginning September 1, 2013, working connections child care providers shall receive a five percent increase in the subsidy rate for enrolling in level 2 in the early achievers programs. Providers must complete level 2 and advance to level 3 within thirty months in order to maintain this increase)) beginning July 1, 2016, unless an earlier date is provided in the omnibus appropriations act.
- (3) Existing child care providers serving nonschool age children and receiving state subsidy payments must complete the following requirements to be eligible for a state subsidy under this section:
 - (a) Enroll in the early achievers program by August 1, 2016;
- (b) Complete level 2 activities in the early achievers program by August 1, 2017: and
- (c) Rate at a level 3 or higher in the early achievers program by December 31, 2019. If a child care provider rates below a level 3 by December 31, 2019, the provider must complete remedial activities with the department, and rate at a level 3 or higher no later than June 30, 2020.
- (4) Effective July 1, 2016, a new child care provider serving nonschool age children and receiving state subsidy payments must complete the following activities to be eligible to receive a state subsidy under this section:
- (a) Enroll in the early achievers program within thirty days of receiving the initial state subsidy payment;
- (b) Complete level 2 activities in the early achievers program within twelve months of enrollment; and
- (c) Rate at a level 3 or higher in the early achievers program within thirty months of enrollment. If a child care provider rates below a level 3 within thirty

months from enrollment into the early achievers program, the provider must complete remedial activities with the department, and rate at a level 3 or higher within six months of beginning remedial activities.

- (5) If a child care provider does not rate at a level 3 or higher following the remedial period, the provider is no longer eligible to receive state subsidy under this section.
- (6) If a child care provider serving nonschool age children and receiving state subsidy payments has successfully completed all level 2 activities and is waiting to be rated by the deadline provided in this section, the provider may continue to receive a state subsidy pending the successful completion of the level 3 rating activity.
- (7) The department shall implement tiered reimbursement for early achievers program participants in the working connections child care program rating at level 3, 4, or 5.
- (8) The department shall account for a child care copayment collected by the provider from the family for each contracted slot and establish the copayment fee by rule.
- Sec. 7. RCW 43.215.1352 and 2012 c 251 s 2 are each amended to read as follows:

Beginning July 1, 2016, or earlier if a different date is provided in the omnibus appropriations act, when an applicant or recipient applies for or receives working connections child care benefits, ((he or she)) the applicant or recipient is required to((÷

- (1))) notify the department of social and health services, within five days, of any change in providers((; and
- (2) Notify the department of social and health services, within ten days, about any significant change related to the number of child care hours the applicant or recipient needs, cost sharing, or eligibility)).
- Sec. 8. RCW 43.215.425 and 1994 c 166 s 6 are each amended to read as follows:
- (1) The department shall adopt rules under chapter 34.05 RCW for the administration of the early childhood education and assistance program. Approved early childhood education and assistance programs shall conduct needs assessments of their service area((5)) and identify any targeted groups of children, to include but not be limited to children of seasonal and migrant farmworkers and native American populations living either on or off reservation((5, and)). Approved early childhood education and assistance programs shall provide to the department a service delivery plan, to the extent practicable, that addresses these targeted populations.
- (2) The department, in developing rules for the early childhood <u>education</u> and <u>assistance</u> program, shall consult with the <u>early learning</u> advisory ((eommittee)) council, and shall consider such factors as coordination with existing head start and other early childhood programs, the preparation necessary for instructors, qualifications of instructors, adequate space and equipment, and special transportation needs. The rules shall specifically require the early childhood programs to provide for parental involvement in participation with their child's program, in local program policy decisions, in

development and revision of service delivery systems, and in parent education and training.

- (3) By January 1, 2016, the department shall adopt rules requiring early childhood education and assistance program employees who have access to children to submit to a fingerprint background check. Fingerprint background check procedures for the early childhood education and assistance program shall be the same as the background check procedures in RCW 43.215.215.
- **Sec. 9.** RCW 43.215.415 and 1994 c 166 s 5 are each amended to read as follows:
- (1) Approved early childhood <u>education and assistance</u> programs shall receive state-funded support through the department. Public or private ((nonsectarian)) organizations, including, but not limited to school districts, educational service districts, community and technical colleges, local governments, or nonprofit organizations, are eligible to participate as providers of the state early childhood <u>education and assistance</u> program. ((Funds appropriated for the state program shall be used to continue to operate existing programs or to establish new or expanded early childhood programs, and shall not be used to supplant federally supported head start programs.))
- (2) Funds obtained by providers through voluntary grants or contributions from individuals, agencies, corporations, or organizations may be used to expand or enhance preschool programs so long as program standards established by the department are maintained((, but shall not be used to supplant federally supported head start programs or state-supported early childhood programs)).
- (3) Persons applying to conduct the early childhood <u>education and assistance</u> program shall identify targeted groups and the number of children to be served, program components, the qualifications of instructional and special staff, the source and amount of grants or contributions from sources other than state funds, facilities and equipment support, and transportation and personal care arrangements.
- (4) Existing early childhood education and assistance program providers must complete the following requirements to be eligible to receive state-funded support under the early childhood education and assistance program:
 - (a) Enroll in the early achievers program by October 1, 2015;
- (b) Rate at a level 4 or 5 in the early achievers program by March 1, 2016. If an early childhood education and assistance program provider rates below a level 4 by March 1, 2016, the provider must complete remedial activities with the department, and rate at a level 4 or 5 within six months of beginning remedial activities.
- (5) Effective October 1, 2015, a new early childhood education and assistance program provider must complete the requirements in this subsection (5) to be eligible to receive state-funded support under the early childhood education and assistance program:
- (a) Enroll in the early achievers program within thirty days of the start date of the early childhood education and assistance program contract:
- (b)(i) Except as provided in (b)(ii) of this subsection, rate at a level 4 or 5 in the early achievers program within twelve months of enrollment. If an early childhood education and assistance program provider rates below a level 4 within twelve months of enrollment, the provider must complete remedial

activities with the department, and rate at a level 4 or 5 within six months of beginning remedial activities.

- (ii) Licensed or certified child care centers and homes that administer an early childhood education and assistance program shall rate at a level 4 or 5 in the early achievers program within eighteen months of the start date of the early childhood education and assistance program contract. If an early childhood education and assistance program provider rates below a level 4 within eighteen months, the provider must complete remedial activities with the department, and rate at a level 4 or 5 within six months of beginning remedial activities.
- (6)(a) If an early childhood education and assistance program provider has successfully completed all of the required early achievers program activities and is waiting to be rated by the deadline provided in this section, the provider may continue to participate in the early achievers program as an approved early childhood education and assistance program provider and receive state subsidy pending the successful completion of a level 4 or 5 rating.
- (b) To avoid disruption, the department may allow for early childhood education and assistance program providers who have rated below a level 4 after completion of the six-month remedial period to continue to provide services until the current school year is finished.
- (7) The department shall collect data periodically to determine the demand for full-day programming for early childhood education and assistance program providers. The department shall analyze this demand by geographic region and shall include the findings in the annual report required under section 18 of this act.
- (8) By December 1, 2015, the department shall develop a pathway for licensed or certified child care centers and homes to administer an early childhood education and assistance program. The pathway shall include an accommodation for these providers to rate at a level 4 or 5 in the early achievers program according to the timelines and standards established in subsection (5)(b)(ii) of this section.
- **Sec. 10.** RCW 43.215.430 and 2013 c 323 s 7 are each amended to read as follows:

The department shall review applications from public or private ((nonsectarian)) organizations for state funding of early childhood education and assistance programs. The department shall consider local community needs, demonstrated capacity, and the need to support a mixed delivery system of early learning that includes alternative models for delivery including licensed centers and licensed family child care providers when reviewing applications.

- **Sec. 11.** RCW 43.215.455 and 2010 c 231 s 3 are each amended to read as follows:
- (1) Beginning September 1, 2011, an early learning program to provide voluntary preschool opportunities for children three and four years of age shall be implemented according to the funding and implementation plan in RCW ((43.215.142)) 43.215.456. The program must ((be)) offer a comprehensive program ((providing)) of early childhood education and family support, ((options for)) including parental involvement(($_{5}$)) and health information, screening, and referral services, ((as)) based on family need ((is determined)). Participation in the program is voluntary. On a space available basis, the

program may allow enrollment of children who are not otherwise eligible by assessing a fee.

- (2) The ((first phase of the)) program shall be implemented by utilizing the program standards and eligibility criteria in the early childhood education and assistance program in RCW 43.215.400 through 43.215.450.
- (3)(a) Beginning in the 2015-16 school year, the program implementation in this section shall prioritize early childhood education and assistance programs located in low-income neighborhoods within high-need geographical areas.
- (b) Following the priority in (a) of this subsection, preference shall be given to programs meeting at least one of the following characteristics:
 - (i) Programs offering an extended day program for early care and education;
 - (ii) Programs offering services to children diagnosed with a special need; or
- (iii) Programs offering services to children involved in the child welfare system.
- (4) The director shall adopt rules for the following program components, as appropriate and necessary during the phased implementation of the program consistent with early achievers program standards established in RCW 43.215.100:
- (a) Minimum program standards((, including lead teacher, assistant teacher, and staff qualifications));
 - (b) Approval of program providers; and
 - (c) Accountability and adherence to performance standards.
 - (((4))) (5) The department has administrative responsibility for:
- (a) Approving and contracting with providers according to rules developed by the director under this section;
- (b) In partnership with school districts, monitoring program quality and assuring the program is responsive to the needs of eligible children;
- (c) Assuring that program providers work cooperatively with school districts to coordinate the transition from preschool to kindergarten so that children and their families are well-prepared and supported; and
 - (d) Providing technical assistance to contracted providers.
- **Sec. 12.** RCW 43.215.456 and 2015 c 128 s 4 are each amended to read as follows:
- (2) The program shall be implemented in phases, so that full implementation is achieved in the $((\frac{201819}{}))$ 2020-21 school year.
- (3) For the initial phase of the early learning program in school years 2011-12 and 2012-13, the legislature shall appropriate funding to the department for implementation of the program in an amount not less than the 2009-2011 enacted budget for the early childhood education and assistance program. The appropriation shall be sufficient to fund an equivalent number of slots as funded in the 2009-2011 enacted budget.
- (4) Beginning in the 2013-14 school year, additional funding for the program must be phased in beginning in school districts providing all-day kindergarten programs under RCW 28A.150.315.
- (5) Funding shall continue to be phased in (($\frac{\text{inerementally}}{\text{inerementally}}$)) each year until full statewide implementation of the early learning program is achieved in the (($\frac{2018-19}{\text{inerementally}}$)) $\frac{2020-21}{\text{inerementally}}$ school year, at which time any eligible child shall be entitled to be enrolled in the program.

(6) School districts and approved communitybased early learning providers may contract with the department to provide services under the program. The department shall collaborate with school districts, communitybased providers, and educational service districts to promote an adequate supply of approved providers.

<u>NEW SECTION.</u> **Sec. 13.** A new section is added to chapter 43.215 RCW to read as follows:

- (1) The education data center established in RCW 43.41.400 must collect longitudinal, student-level data on all children attending an early childhood education and assistance program. Upon completion of an electronic time and attendance record system, the education data center must collect longitudinal, student-level data on all children attending a working connections child care program. Data collected should capture at a minimum the following characteristics:
 - (a) Daily program attendance;
 - (b) Identification of classroom and teacher;
 - (c) Early achievers program quality level rating;
 - (d) Program hours;
 - (e) Program duration;
- (f) Developmental results from the Washington kindergarten inventory of developing skills in RCW 28A.655.080; and
- (g) To the extent data is available, the distinct ethnic categories within racial subgroups of children and providers that align with categories recognized by the education data center.
- (2) The department shall provide early learning providers student-level data collected pursuant to this section that are specific to the early learning provider's program. Upon completion of an electronic time and attendance record system identified in subsection (1) of this section, the department shall provide child care providers student-level data that are specific to the child care provider's program.
- (3)(a) The department shall review available research and best practices literature on cultural competency in early learning settings. The department shall review the K-12 components for cultural competency developed by the professional educator standards board and identify components appropriate for early learning professional development.
- (b) By July 31, 2016, the department shall provide recommendations to the appropriate committees of the legislature and the early learning advisory council on research-based cultural competency standards for early learning professional training.
- (4)(a) The Washington state institute for public policy shall conduct a longitudinal analysis examining relationships between the early achievers program quality ratings levels and outcomes for children participating in subsidized early care and education programs.
- (b) The institute shall submit the first report to the appropriate committees of the legislature and the early learning advisory council by December 31, 2019. The institute shall submit subsequent reports annually to the appropriate committees of the legislature and the early learning advisory council by December 31st, with the final report due December 31, 2022. The final report shall include a cost-benefit analysis.

- (5)(a) By December 1, 2015, the department shall provide recommendations to the appropriate committees of the legislature on child attendance policies pertaining to the working connections child care program and the early childhood education and assistance program. The recommendations shall include the following:
 - (i) Allowable periods of child absences;
- (ii) Required contact with parents or caregivers to discuss child absences and encourage regular program attendance; and
- (iii) A de-enrollment procedure when allowable child absences are exceeded.
- (b) The department shall develop recommendations on child absences and attendance within the department's appropriations.

<u>NEW SECTION.</u> **Sec. 14.** A new section is added to chapter 43.215 RCW to read as follows:

- (1) The department may employ a combination of vouchers and contracted slots for the subsidized child care programs in RCW 43.215.135. Child care vouchers preserve parental choice. Child care contracted slots promote access to continuous quality care for children, provide parents and caregivers stable child care that supports employment, and allow providers to have predictable funding. Any contracted slots the department may create under this section must meet the requirements in subsections (2) through (6) of this section.
- (2) Only child care providers who participate in the early achievers program and rate at a level 3, 4, or 5 are eligible to be awarded a contracted slot.
- (3)(a) The department is required to use data to calculate a set number of targeted contracted slots. In calculating the number, the department must take into account a balance of family home and center child care programs and the overall geographic distribution of child care programs in the state and the distribution of slots between ages zero and five.
- (b) The targeted contracted slots are reserved for programs meeting both of the following conditions:
 - (i) Programs in low-income neighborhoods; and
- (ii) Programs that consist of at least fifty percent of children receiving subsidy pursuant to RCW 43.215.135.
- (c) Until August 1, 2017, the department shall assure an even distribution of contracted slots for children birth to age five.
- (4) The department shall award the remaining contracted slots via a competitive process and prioritize child care programs with at least one of the following characteristics:
 - (a) Programs located in a high-need geographic area;
- (b) Programs partnering with elementary schools to offer transitional planning and support to children as they advance to kindergarten;
 - (c) Programs serving children involved in the child welfare system; or
 - (d) Programs serving children diagnosed with a special need.
- (5) The department shall pay a provider for each contracted slot, unless a contracted slot is not used for thirty days.
- (6) The department shall include the number of contracted slots that use both early childhood education and assistance program funding and working connections child care program funding in the annual report to the legislature required under section 18 of this act.

<u>NEW SECTION.</u> **Sec. 15.** A new section is added to chapter 43.215 RCW to read as follows:

- (1) The foundation of quality in the early care and education system in Washington is the quality rating and improvement system entitled the early achievers program. In an effort to build on the existing quality framework, enhance access to quality care for children, and strengthen the entire early care and education systems in the state, it is important to integrate the efforts of state and local governments.
- (2) Local governments are encouraged to collaborate with the department when establishing early learning programs for residents.
- (3) Local governments may contribute funds to the department for the following purposes:
- (a) Initial investments to build capacity and quality in local early care and education programming; and
 - (b) Reductions in copayments charged to parents or caregivers.
- (4) Funds contributed to the department by local governments must be deposited in the early start account established in section 17 of this act.
- **Sec. 16.** RCW 43.215.090 and 2012 c 229 s 589 are each amended to read as follows:
- (1) The early learning advisory council is established to advise the department on statewide early learning issues that would build a comprehensive system of quality early learning programs and services for Washington's children and families by assessing needs and the availability of services, aligning resources, developing plans for data collection and professional development of early childhood educators, and establishing key performance measures.
- (2) The council shall work in conjunction with the department to develop a statewide early learning plan that guides the department in promoting alignment of private and public sector actions, objectives, and resources, and ensuring school readiness.
- (3) The council shall include diverse, statewide representation from public, nonprofit, and for-profit entities. Its membership shall reflect regional, racial, and cultural diversity to adequately represent the needs of all children and families in the state.
- (4) Councilmembers shall serve two-year terms. However, to stagger the terms of the council, the initial appointments for twelve of the members shall be for one year. Once the initial one-year to two-year terms expire, all subsequent terms shall be for two years, with the terms expiring on June 30th of the applicable year. The terms shall be staggered in such a way that, where possible, the terms of members representing a specific group do not expire simultaneously.
- (5) The council shall consist of not more than twenty-three members, as follows:
- (a) The governor shall appoint at least one representative from each of the following: The department, the office of financial management, the department of social and health services, the department of health, the student achievement council, and the state board for community and technical colleges;
- (b) One representative from the office of the superintendent of public instruction, to be appointed by the superintendent of public instruction;

- (c) The governor shall appoint seven leaders in early childhood education, with at least one representative with experience or expertise in one or more of the areas such as the following: The K-12 system, family day care providers, and child care centers with four of the seven governor's appointees made as follows:
- (i) The head start state collaboration office director or the director's designee;
- (ii) A representative of a head start, early head start, migrant/seasonal head start, or tribal head start program;
 - (iii) A representative of a local education agency; and
- (iv) A representative of the state agency responsible for programs under section 619 or part C of the federal individuals with disabilities education act;
- (d) Two members of the house of representatives, one from each caucus, and two members of the senate, one from each caucus, to be appointed by the speaker of the house of representatives and the president of the senate, respectively;
- (e) Two parents, one of whom serves on the department's parent advisory group, to be appointed by the governor;
- (f) One representative of the private-public partnership created in RCW 43.215.070, to be appointed by the partnership board;
 - (g) One representative designated by sovereign tribal governments; and
- (h) One representative from the Washington federation of independent schools.
- (6) The council shall be cochaired by one representative of a state agency and one nongovernmental member, to be elected by the council for two-year terms.
- (7) The council shall appoint two members and stakeholders with expertise in early learning to sit on the technical working group created in section 2, chapter 234, Laws of 2010.
- (8) Each member of the board shall be compensated in accordance with RCW 43.03.240 and reimbursed for travel expenses incurred in carrying out the duties of the board in accordance with RCW 43.03.050 and 43.03.060.
- (9)(a) The council shall convene an early achievers review subcommittee to provide feedback and guidance on strategies to improve the quality of instruction and environment for early learning and provide input and recommendations on the implementation and refinement of the early achievers program. The review conducted by the subcommittee shall be a part of the annual progress report required in section 18 of this act. At a minimum the review shall address the following:
 - (i) Adequacy of data collection procedures:
 - (ii) Coaching and technical assistance standards;
- (iii) Progress in reducing barriers to participation for low-income providers and providers from diverse cultural backgrounds, including a review of the early achievers program's rating tools, quality standard areas, and components, and how they are applied;
- (iv) Strategies in response to data on the effectiveness of early achievers program standards in relation to providers and children from diverse cultural backgrounds;
 - (v) Status of the life circumstance exemption protocols; and
 - (vi) Analysis of early achievers program data trends.

- (b) The subcommittee must include consideration of cultural linguistic responsiveness when analyzing the areas for review required by (a) of this subsection.
- (c) The subcommittee shall include representatives from child care centers, family child care, the early childhood education and assistance program, contractors for early achievers program technical assistance and coaching, tribal governments, the organization responsible for conducting early achiever program ratings, and parents of children participating in early learning programs, including working connections child care and early childhood education and assistance programs. The subcommittee shall include representatives from diverse cultural and linguistic backgrounds.
 - (10) The department shall provide staff support to the council.

<u>NEW SECTION.</u> **Sec. 17.** A new section is added to chapter 43.215 RCW to read as follows:

The early start account is created in the state treasury. Revenues in the account shall consist of appropriations by the legislature and all other sources deposited into the account. Moneys in the account may only be used after appropriation. Expenditures from the account may be used only to improve the quality of early care and education programming. The department oversees the account.

<u>NEW SECTION.</u> **Sec. 18.** A new section is added to chapter 43.215 RCW to read as follows:

- (1) Beginning December 15, 2015, and each December 15th thereafter, the department, in collaboration with the statewide child care resource and referral organization, and the early achievers review subcommittee of the early learning advisory council, shall submit, in compliance with RCW 43.01.036, a progress report to the governor and the legislature regarding providers' progress in the early achievers program. Each progress report must include the following elements:
- (a) The number, and relative percentage, of family child care and center providers who have enrolled in the early achievers program and who have:
 - (i) Completed the level 2 activities;
 - (ii) Completed rating readiness consultation and are waiting to be rated;
- (iii) Achieved the required rating level to remain eligible for state-funded support under the early childhood education and assistance program or a subsidy under the working connections child care program;
- (iv) Not achieved the required rating level initially but qualified for and are working through intensive targeted support in preparation for a partial rerate outside the standard rating cycle;
- (v) Not achieved the required rating level initially and engaged in remedial activities before successfully achieving the required rating level;
- (vi) Not achieved the required rating level after completing remedial activities; or
- (vii) Received an extension from the department based on exceptional circumstances pursuant to RCW 43.215.100;
- (b) A review of the services available to providers and children from diverse cultural backgrounds;

- (c) An examination of the effectiveness of efforts to increase successful participation by providers serving children and families from diverse cultural and linguistic backgrounds and providers who serve children from low-income households;
- (d) A description of the primary obstacles and challenges faced by providers who have not achieved the required rating level to remain eligible to receive:
 - (i) A subsidy under the working connections child care program; or
- (ii) State-funded support under the early childhood education and assistance program;
- (e) A summary of the types of exceptional circumstances for which the department has granted an extension pursuant to RCW 43.215.100;
- (f) The average amount of time required for providers to achieve local level milestones within each level of the early achievers program;
- (g) To the extent data is available, an analysis of the distribution of early achievers program-rated facilities in relation to child and provider demographics, including but not limited to race and ethnicity, home language, and geographical location;
- (h) Recommendations for improving access for children from diverse cultural backgrounds to providers rated at a level 3 or higher in the early achievers program;
 - (i) Recommendations for improving the early achievers program standards;
- (j) An analysis of any impact from quality strengthening efforts on the availability and quality of infant and toddler care;
- (k) The number of contracted slots that use both early childhood education and assistance program funding and working connections child care program funding; and
- (l) A description of the early childhood education and assistance program implementation to include the following:
- (i) Progress on early childhood education and assistance program implementation as required pursuant to RCW 43.215.415, 43.215.425, and 43.215.455;
- (ii) An examination of the regional distribution of new preschool programming by zip code;
- (iii) An analysis of the impact of preschool expansion on low-income neighborhoods and communities;
- (iv) Recommendations to address any identified barriers to access to quality preschool for children living in low-income neighborhoods;
- (v) An analysis of any impact of extended day early care and education opportunities directives:
- (vi) An examination of any identified barriers for providers to offer extended day early care and education opportunities;
- (vii) An analysis of the demand for full-day programming for early childhood education and assistance program providers required under RCW 43.215.415; and
- (viii) To the extent data is available, an analysis of the cultural diversity of early childhood education and assistance program providers and participants.
- (2) The first annual report due under subsection (1) of this section also shall include a description of the early achievers program extension protocol required under RCW 43.215.100.

- (3) The elements required to be reported under subsection (1)(a) of this section must be reported at the county level, and for those counties with a population of five hundred thousand and higher, the data must be reported at the zip code level.
- (4) If, based on information in an annual report submitted in 2018 or later under this section, fifteen percent or more of the licensed or contracted providers who are participating in the early achievers program in a county or in a single zip code have not achieved the rating levels under RCW 43.215.135 and 43.215.415, the department must:
- (a) Analyze the reasons providers in the affected counties or zip codes have not attained the required rating levels; and
- (b) Develop a plan to mitigate the effect on the children and families served by these providers. The plan must be submitted to the legislature as part of the annual progress report along with any recommendations for legislative action to address the needs of the providers and the children and families they serve.
- **Sec. 19.** RCW 43.215.010 and 2013 c 323 s 3 and 2013 c 130 s 1 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Agency" means any person, firm, partnership, association, corporation, or facility that provides child care and early learning services outside a child's own home and includes the following irrespective of whether there is compensation to the agency:
- (a) "Child day care center" means an agency that regularly provides early childhood education and early learning services for a group of children for periods of less than twenty-four hours;
- (b) "Early learning" includes but is not limited to programs and services for child care; state, federal, private, and nonprofit preschool; child care subsidies; child care resource and referral; parental education and support; and training and professional development for early learning professionals;
- (c) "Family day care provider" means a child care provider who regularly provides early childhood education and early learning services for not more than twelve children in the provider's home in the family living quarters;
- (d) "Nongovernmental private-public partnership" means an entity registered as a nonprofit corporation in Washington state with a primary focus on early learning, school readiness, and parental support, and an ability to raise a minimum of five million dollars in contributions;
 - (e) "Service provider" means the entity that operates a community facility.
 - (2) "Agency" does not include the following:
 - (a) Persons related to the child in the following ways:
- (i) Any blood relative, including those of half-blood, and including first cousins, nephews or nieces, and persons of preceding generations as denoted by prefixes of grand, great, or great-great;
 - (ii) Stepfather, stepmother, stepbrother, and stepsister;
- (iii) A person who legally adopts a child or the child's parent as well as the natural and other legally adopted children of such persons, and other relatives of the adoptive parents in accordance with state law; or
- (iv) Spouses of any persons named in (a)(i), (ii), or (iii) of this subsection, even after the marriage is terminated;

- (b) Persons who are legal guardians of the child;
- (c) Persons who care for a neighbor's or friend's child or children, with or without compensation, where the person providing care for periods of less than twenty-four hours does not conduct such activity on an ongoing, regularly scheduled basis for the purpose of engaging in business, which includes, but is not limited to, advertising such care;
- (d) Parents on a mutually cooperative basis exchange care of one another's children;
- (e) Nursery schools that are engaged primarily in early childhood education with preschool children and in which no child is enrolled on a regular basis for more than four hours per day;
- (f) Schools, including boarding schools, that are engaged primarily in education, operate on a definite school year schedule, follow a stated academic curriculum, accept only school((-))age children, and do not accept custody of children;
- (g) Seasonal camps of three months' or less duration engaged primarily in recreational or educational activities;
- (h) Facilities providing child care for periods of less than twenty-four hours when a parent or legal guardian of the child remains on the premises of the facility for the purpose of participating in:
 - (i) Activities other than employment; or
- (ii) Employment of up to two hours per day when the facility is operated by a nonprofit entity that also operates a licensed child care program at the same facility in another location or at another facility;
- (i) Any entity that provides recreational or educational programming for school((-))age((d)) children only and the entity meets all of the following requirements:
- (i) The entity utilizes a drop-in model for programming, where children are able to attend during any or all program hours without a formal reservation;
- (ii) The entity does not assume responsibility in lieu of the parent, unless for coordinated transportation;
 - (iii) The entity is a local affiliate of a national nonprofit; and
- (iv) The entity is in compliance with all safety and quality standards set by the associated national agency;
- (j) A program operated by any unit of local, state, or federal government or an agency, located within the boundaries of a federally recognized Indian reservation, licensed by the Indian tribe;
- (k) A program located on a federal military reservation, except where the military authorities request that such agency be subject to the licensing requirements of this chapter;
- (l) A program that offers early learning and support services, such as parent education, and does not provide child care services on a regular basis.
- (3) "Applicant" means a person who requests or seeks employment in an agency.
- (4) "Conviction information" means criminal history record information relating to an incident which has led to a conviction or other disposition adverse to the applicant.
 - (5) "Department" means the department of early learning.
 - (6) "Director" means the director of the department.

- (7) "Early achievers" means a program that improves the quality of early learning programs and supports and rewards providers for their participation.
- (8) "Early childhood education and assistance program contractor" means an organization that provides early childhood education and assistance program services under a signed contract with the department.
- (9) "Early childhood education and assistance program provider" means an organization that provides site level, direct, and high quality early childhood education and assistance program services under the direction of an early childhood education and assistance program contractor.
- (10) "Early start" means an integrated high quality continuum of early learning programs for children birth-to-five years of age. Components of early start include, but are not limited to, the following:
 - (a) Home visiting and parent education and support programs;
 - (b) The early achievers program described in RCW 43.215.100;
- (c) Integrated full-day and part-day high quality early learning programs; and
- (d) High quality preschool for children whose family income is at or below one hundred ten percent of the federal poverty level.
- (((9))) (11) "Education data center" means the education data center established in RCW 43.41.400, commonly referred to as the education research and data center.
- (12) "Employer" means a person or business that engages the services of one or more people, especially for wages or salary to work in an agency.
- (((10))) (13) "Enforcement action" means denial, suspension, revocation, modification, or nonrenewal of a license pursuant to RCW 43.215.300(1) or assessment of civil monetary penalties pursuant to RCW 43.215.300(3).
- (((11))) (14) "Extended day program" means an early childhood education and assistance program that offers early learning education for at least ten hours per day, a minimum of two thousand hours per year, at least four days per week, and operates year round.
- (15) "Full day program" means an early childhood education and assistance program that offers early learning education for a minimum of one thousand hours per year.
- (16) "Low-income child care provider" means a person who administers a child care program that consists of at least eighty percent of children receiving working connections child care subsidy.
- (17) "Low-income neighborhood" means a district or community where more than twenty percent of households are below the federal poverty level.
- (18) "Negative action" means a court order, court judgment, or an adverse action taken by an agency, in any state, federal, tribal, or foreign jurisdiction, which results in a finding against the applicant reasonably related to the individual's character, suitability, and competence to care for or have unsupervised access to children in child care. This may include, but is not limited to:
 - (a) A decision issued by an administrative law judge;
- (b) A final determination, decision, or finding made by an agency following an investigation;

- (c) An adverse agency action, including termination, revocation, or denial of a license or certification, or if pending adverse agency action, the voluntary surrender of a license, certification, or contract in lieu of the adverse action;
 - (d) A revocation, denial, or restriction placed on any professional license; or
 - (e) A final decision of a disciplinary board.
- (((12))) (19) "Nonconviction information" means arrest, founded allegations of child abuse, or neglect pursuant to chapter 26.44 RCW, or other negative action adverse to the applicant.
- (((13))) (20) "Nonschool age child" means a child who is age six years or younger and who is not enrolled in a public or private school.
- (21) "Part day program" means an early childhood education and assistance program that offers early learning education for at least two and one-half hours per class session, at least three hundred twenty hours per year, for a minimum of thirty weeks per year.
- (22) "Private school" means a private school approved by the state under chapter 28A.195 RCW.
- (23) "Probationary license" means a license issued as a disciplinary measure to an agency that has previously been issued a full license but is out of compliance with licensing standards.
- $(((\frac{14}{1})))$ (24) "Requirement" means any rule, regulation, or standard of care to be maintained by an agency.
- (((15))) (25) "School age child" means a child who is between the ages of five years and twelve years and is attending a public or private school or is receiving home-based instruction under chapter 28A.200 RCW.
- (26) "Washington state preschool program" means an education program for children three-to-five years of age who have not yet entered kindergarten, such as the early childhood education and assistance program.
- <u>NEW SECTION.</u> **Sec. 20.** A new section is added to chapter 43.215 RCW to read as follows:
- (1)(a) A joint select committee on the early achievers program is established with members as provided in this subsection.
- (i) Chair and ranking minority member of the house of representatives appropriations committee, or his or her designee who must be a member of the house of representatives appropriations committee;
- (ii) Chair and ranking minority member of the senate ways and means committee, or his or her designee who must be a member of the senate ways and means committee;
- (iii) Chair and ranking minority member of the house of representatives early learning and human services committee, or his or her designee who must be a member of the house of representatives early learning and human services committee; and
- (iv) Chair and ranking minority member of the senate early learning and K-12 education committee, or his or her designee who must be a member of the senate early learning and K-12 education committee.
- (b) The committee shall choose its chair or cochairs from among its legislative membership. The chair of the house of representatives early learning and human services committee, or his or her designee, and the chair of the senate early learning and K-12 education committee, or his or her designee, shall convene the initial meeting of the committee.

- (2) Between July 1, 2018, and December 1, 2018, the early achievers joint select committee shall review the demand and availability of licensed or certified child care family homes and centers, approved early childhood education and assistance programs, head start programs, and family, friend, and neighbor caregivers by geographic region, including rural and low-income neighborhoods. This review shall specifically look at the following:
- (a) The geographic distribution of these child care programs by type of program, programs that accept state subsidy, enrollment in the early achievers program, and early achievers rating levels; and
- (b) The demand and availability of these child care programs for major ethnic populations.
- (3) By December 1, 2018, the early achievers joint select committee shall make recommendations to the legislature on the following:
 - (a) The sufficiency of funding provided for the early achievers program;
- (b) The need for targeted funding for specific geographic regions or major ethnic populations; and
- (c) Whether to modify the deadlines established in RCW 43.215.135 for purposes of the early achievers program mandate established in RCW 43.215.100.
- (4) Staff support for the committee must be provided by the senate committee services and the house of representatives office of program research.
- (5) Legislative members of the committee must be reimbursed for travel expenses in accordance with RCW 44.04.120.
- (6) The expenses of the committee must be paid jointly by the senate and the house of representatives. 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.
- (7) The committee shall report its findings and recommendations to the appropriate committees of the legislature by December 1, 2018.
 - (8) This section expires December 1, 2019.

 $\underline{\text{NEW SECTION.}} \ \, \textbf{Sec. 21.} \quad \, \text{REPEALER. 2013 2nd sp.s. c 16 s 2} \\ \text{(uncodified) is repealed.}$

<u>NEW SECTION.</u> **Sec. 22.** A new section is added to chapter 43.215 RCW to read as follows:

Chapter . . ., Laws of 2015 3rd sp. sess. (this act) may be known and cited as the early start act.

<u>NEW SECTION.</u> **Sec. 23.** EFFECTIVE DATE. Section 4 of this act takes effect July 1, 2016.

<u>NEW SECTION.</u> **Sec. 24.** NULL AND VOID. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2015, in the omnibus appropriations act, this act is null and void.

Passed by the House June 28, 2015.

Passed by the Senate June 30, 2015.

Approved by the Governor July 6, 2015.

Filed in Office of Secretary of State July 7, 2015.

CHAPTER 8

[Engrossed Substitute Senate Bill 5355]
HIGHER EDUCATION--RESIDENCY--VETERANS

AN ACT Relating to modifying the definition of resident student to comply with federal requirements established by the veterans access, choice, and accountability act of 2014; reenacting and amending RCW 28B.15.012; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28B.15.012 and 2015 c 55 s 207 are each reenacted and amended to read as follows:

Whenever used in this chapter:

- (1) The term "institution" shall mean a public university, college, or community or technical college within the state of Washington.
 - (2) The term "resident student" shall mean:
- (a) A financially independent student who has had a domicile in the state of Washington for the period of one year immediately prior to the time of commencement of the first day of the semester or quarter for which the student has registered at any institution and has in fact established a bona fide domicile in this state primarily for purposes other than educational;
- (b) A dependent student, if one or both of the student's parents or legal guardians have maintained a bona fide domicile in the state of Washington for at least one year immediately prior to commencement of the semester or quarter for which the student has registered at any institution;
- (c) A student classified as a resident based upon domicile by an institution on or before May 31, 1982, who was enrolled at a state institution during any term of the 1982-1983 academic year, so long as such student's enrollment (excepting summer sessions) at an institution in this state is continuous;
- (d) Any student who has spent at least seventy-five percent of both his or her junior and senior years in high schools in this state, whose parents or legal guardians have been domiciled in the state for a period of at least one year within the five-year period before the student graduates from high school, and who enrolls in a public institution of higher education within six months of leaving high school, for as long as the student remains continuously enrolled for three quarters or two semesters in any calendar year;
- (e) Any person who has completed the full senior year of high school and obtained a high school diploma, both at a Washington public high school or private high school approved under chapter 28A.195 RCW, or a person who has received the equivalent of a diploma; who has lived in Washington for at least three years immediately prior to receiving the diploma or its equivalent; who has continuously lived in the state of Washington after receiving the diploma or its equivalent and until such time as the individual is admitted to an institution of higher education under subsection (1) of this section; and who provides to the institution an affidavit indicating that the individual will file an application to become a permanent resident at the earliest opportunity the individual is eligible to do so and a willingness to engage in any other activities necessary to acquire citizenship, including but not limited to citizenship or civics review courses;
- (f) Any person who has lived in Washington, primarily for purposes other than educational, for at least one year immediately before the date on which the person has enrolled in an institution, and who holds lawful nonimmigrant status pursuant to 8 U.S.C. Sec. (a)(15) (E)(iii), (H)(i), or (L), or who holds lawful

nonimmigrant status as the spouse or child of a person having nonimmigrant status under one of those subsections, or who, holding or having previously held such lawful nonimmigrant status as a principal or derivative, has filed an application for adjustment of status pursuant to 8 U.S.C. Sec. 1255(a);

- (g) A student who is on active military duty stationed in the state or who is a member of the Washington national guard;
- (h) A student who is on active military duty or a member of the national guard who entered service as a Washington resident and who has maintained Washington as his or her domicile but is not stationed in the state;
- (i) A student who is the spouse or a dependent of a person who is on active military duty or a member of the national guard who entered service as a Washington resident and who has maintained Washington as his or her domicile but is not stationed in the state. If the person on active military duty is reassigned out-of-state, the student maintains the status as a resident student so long as the student is continuously enrolled in a degree program;
- (j) A student who resides in the state of Washington and is the spouse or a dependent of a person who is a member of the Washington national guard;
- (k) A student who has separated from the ((military under honorable conditions after at least two years of service, and who enters an institution of higher education in Washington within one year of the date of separation who:
- (i) At the time of separation designated Washington as his or her intended domicile; or
 - (ii) Has Washington as his or her official home of record; or
- (iii) Moves to Washington and establishes a domicile as determined in RCW 28B.15.013;
- (l) A student who is the spouse or a dependent of an individual who has separated from the military under honorable conditions after at least two years of service who:
- (i) At the time of discharge designates Washington as his or her intended domicile; and
- (ii) Has Washington as his or her primary domicile as determined in RCW 28B.15.013; and
- (iii) Enters an institution of higher education in Washington within one year of the date of discharge)) uniformed services with any period of honorable service after at least ninety days of active duty service; is eligible for benefits under the federal all-volunteer force educational assistance program (38 U.S.C. Sec. 3001 et seq.), the federal post-9/11 veterans educational assistance act of 2008 (38 U.S.C. Sec. 3301 et seq.), or any other federal law authorizing educational assistance benefits for veterans; and enters an institution of higher education in Washington within three years of the date of separation;
- (l) A student who is entitled to veterans administration educational assistance benefits based on the student's relationship as a spouse, former spouse, or child to an individual who has separated from the uniformed services with any period of honorable service after at least ninety days of active duty service, and who enters an institution of higher education in Washington within three years of the service member's date of separation;
- (m) A student who is entitled to veterans administration educational assistance benefits based on the student's relationship with a deceased member of the uniformed services who completed at least ninety days of active duty

service and died in the line of duty, and the student enters an institution of higher education in Washington within three years of the service member's death;

- (((m))) (<u>n)</u> A student of an out-of-state institution of higher education who is attending a Washington state institution of higher education pursuant to a home tuition agreement as described in RCW 28B.15.725;
- (((n))) (o) A student who meets the requirements of RCW 28B.15.0131 or 28B.15.0139: PROVIDED, That a nonresident student enrolled for more than six hours per semester or quarter shall be considered as attending for primarily educational purposes, and for tuition and fee paying purposes only such period of enrollment shall not be counted toward the establishment of a bona fide domicile of one year in this state unless such student proves that the student has in fact established a bona fide domicile in this state primarily for purposes other than educational;
- (((0))) (p) A student who resides in Washington and is on active military duty stationed in the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington; or
- (((p))) (<u>q</u>) A student who resides in Washington and is the spouse or a dependent of a person who resides in Washington and is on active military duty stationed in the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington. If the person on active military duty moves from Washington or is reassigned out of the Oregon counties of Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, or Washington, the student maintains the status as a resident student so long as the student resides in Washington and is continuously enrolled in a degree program.
- (3)(a) A student who qualifies under subsection (2)(k), (l), or (m) of this section and who remains continuously enrolled at an institution of higher education shall retain resident student status.
- (b) Nothing in subsection (2)(k), (1), or (m) of this section applies to students who have a dishonorable discharge from the uniformed services, or to students who are the spouse or child of an individual who has had a dishonorable discharge from the uniformed services, unless the student is receiving veterans administration educational assistance benefits.
- (4) The term "nonresident student" shall mean any student who does not qualify as a "resident student" under the provisions of this section and RCW 28B.15.013. Except for students qualifying under subsection (2)(e) or (((m))) (n) of this section, a nonresident student shall include:
- (a) A student attending an institution with the aid of financial assistance provided by another state or governmental unit or agency thereof, such nonresidency continuing for one year after the completion of such semester or quarter. This condition shall not apply to students from Columbia, Multnomah, Clatsop, Clackamas, or Washington county, Oregon participating in the border county pilot project under RCW ((28B.80.806, 28B.80.807)) 28B.76.685, 28B.76.690, and 28B.15.0139.
- (b) A person who is not a citizen of the United States of America who does not have permanent or temporary resident status or does not hold "Refugee-Parolee" or "Conditional Entrant" status with the United States citizenship

immigration services or is not otherwise permanently residing in the United States under color of law and who does not also meet and comply with all the applicable requirements in this section and RCW 28B.15.013.

- (((4))) (5) The term "domicile" shall denote a person's true, fixed and permanent home and place of habitation. It is the place where the student intends to remain, and to which the student expects to return when the student leaves without intending to establish a new domicile elsewhere. The burden of proof that a student, parent or guardian has established a domicile in the state of Washington primarily for purposes other than educational lies with the student.
- (((5))) (6) The term "dependent" shall mean a person who is not financially independent. Factors to be considered in determining whether a person is financially independent shall be set forth in rules adopted by the student achievement council and shall include, but not be limited to, the state and federal income tax returns of the person and/or the student's parents or legal guardian filed for the calendar year prior to the year in which application is made and such other evidence as the council may require.
- (((6))) (7) The term "active military duty" means the person is serving on active duty in:
 - (a) The armed forces of the United States government; or
 - (b) The Washington national guard; or
- (c) The coast guard, merchant mariners, or other nonmilitary organization when such service is recognized by the United States government as equivalent to service in the armed forces.
- (8) The term "active duty service" means full-time duty, other than active duty for training, as a member of the uniformed services of the United States. Active duty service as a national guard member under Title 32 U.S.C. for the purpose of organizing, administering, recruiting, instructing, or training and active service under 32 U.S.C. Sec. 502(f) for the purpose of responding to a national emergency is recognized as active duty service.
- (9) The term "uniformed services" is defined by Title 10 U.S.C.; subsequently structured and organized by Titles 14, 33, and 42 U.S.C.; consisting of the United States army, United States marine corps, United States navy, United States air force, United States coast guard, United States public health service commissioned corps, and the national oceanic and atmospheric administration commissioned officer corps.
- <u>NEW SECTION.</u> **Sec. 2.** Section 1 of 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 July 24, 2015.

Passed by the Senate June 28, 2015.
Passed by the House June 30, 2015.
Approved by the Governor July 6, 2015.
Filed in Office of Secretary of State July 7, 2015.

CHAPTER 9

[Engrossed Substitute House Bill 1570]

EDUCATOR RETOOLING CONDITIONAL SCHOLARSHIP PROGRAM

AN ACT Relating to creating flexibility for the educator retooling conditional scholarship program; and amending RCW 28A.660.045 and 28A.660.050.

Be it enacted by the Legislature of the State of Washington:

- **Sec. 1.** RCW 28A.660.045 and 2015 1st sp.s. c 3 s 3 are each amended to read as follows:
- (1) The educator retooling conditional scholarship program is created. Participation is limited to current K-12 teachers and individuals having an elementary education certificate but who are not employed in positions requiring an elementary education certificate. It is anticipated that candidates enrolled in this program will complete the requirements for an endorsement in two years or less.
 - (2) Entry requirements for candidates include:
- (a) Current K-12 teachers shall pursue an endorsement in a subject or geographic endorsement shortage area, as defined by the professional educator standards board, including but not limited to, mathematics, science, special education, bilingual education, English language learner, computer science education, or environmental and sustainability education.
- (b) Individuals having an elementary education certificate but who are not employed in positions requiring an elementary education certificate shall pursue an endorsement in a subject or geographic endorsement shortage area, as defined by the professional educator standards board, including but not limited to, mathematics, science, special education, bilingual education, English language learner, computer science education, or environmental and sustainability education.
- **Sec. 2.** RCW 28A.660.050 and 2015 1st sp.s. c 3 s 4 are each amended to read as follows:

Subject to the availability of amounts appropriated for these purposes, the conditional scholarship programs in this chapter are created under the following guidelines:

- (1) The programs shall be administered by the student achievement council. In administering the programs, the council has the following powers and duties:
- (a) To adopt necessary rules and develop guidelines to administer the programs;
- (b) To collect and manage repayments from participants who do not meet their service obligations; and
- (c) To accept grants and donations from public and private sources for the programs.
- (2) Requirements for participation in the conditional scholarship programs are as provided in this subsection (2).
- (a) The alternative route conditional scholarship program is limited to interns of professional educator standards board-approved alternative routes to teaching programs under RCW 28A.660.040. For fiscal year 2011, priority must be given to fiscal year 2010 participants in the alternative route partnership program. In order to receive conditional scholarship awards, recipients shall:

- (i) Be accepted and maintain enrollment in alternative certification routes through a professional educator standards board-approved program;
- (ii) Continue to make satisfactory progress toward completion of the alternative route certification program and receipt of a residency teaching certificate; and
- (iii) Receive no more than the annual amount of the scholarship, not to exceed eight thousand dollars, for the cost of tuition, fees, and educational expenses, including books, supplies, and transportation for the alternative route certification program in which the recipient is enrolled. The council may adjust the annual award by the average rate of resident undergraduate tuition and fee increases at the state universities as defined in RCW 28B.10.016.
- (b) The pipeline for paraeducators conditional scholarship program is limited to qualified paraeducators as provided by RCW 28A.660.042. In order to receive conditional scholarship awards, recipients shall:
- (i) Be accepted and maintain enrollment at a community and technical college for no more than two years and attain an associate of arts degree;
- (ii) Continue to make satisfactory progress toward completion of an associate of arts degree. This progress requirement is a condition for eligibility into a route one program of the alternative routes to teacher certification program for a mathematics, special education, or English as a second language endorsement; and
- (iii) Receive no more than the annual amount of the scholarship, not to exceed four thousand dollars, for the cost of tuition, fees, and educational expenses, including books, supplies, and transportation for the alternative route certification program in which the recipient is enrolled. The student achievement council may adjust the annual award by the average rate of tuition and fee increases at the state community and technical colleges.
- (c) The educator retooling conditional scholarship program is limited to current K-12 teachers. In order to receive conditional scholarship awards:
- (i) Individuals currently employed as teachers shall pursue an endorsement in a subject or geographic endorsement shortage area, as defined by the professional educator standards board, including but not limited to, mathematics, science, special education, bilingual education, English language learner, computer science education, or environmental and sustainability education; or
- (ii) Individuals who are certificated with an elementary education endorsement shall pursue an endorsement in a subject or geographic endorsement shortage area, as defined by the professional educator standards board, including but not limited to, mathematics, science, special education, bilingual education, English language learner, computer science education, or environmental and sustainability education; and
- (iii) Individuals shall use one of the pathways to endorsement processes to receive an endorsement in a subject or geographic endorsement shortage area, as defined by the professional educator standards board, including but not limited to, mathematics, science, special education, bilingual education, English language learner, computer science education, or environmental and sustainability education, which shall include passing an endorsement test plus observation and completing applicable coursework to attain the proper endorsement; and

- (iv) Individuals shall receive no more than the annual amount of the scholarship, not to exceed three thousand dollars, for the cost of tuition, test fees, and educational expenses, including books, supplies, and transportation for the endorsement pathway being pursued.
- (3) The Washington professional educator standards board shall select individuals to receive conditional scholarships. In selecting recipients, preference shall be given to eligible veterans or national guard members. In awarding conditional scholarships to support additional bilingual education or English language learner endorsements, the board shall also give preference to teachers assigned to schools required under state or federal accountability measures to implement a plan for improvement, and to teachers assigned to schools whose enrollment of English language learner students has increased an average of more than five percent per year over the previous three years.
- (4) For the purpose of this chapter, a conditional scholarship is a loan that is forgiven in whole or in part in exchange for service as a certificated teacher employed in a Washington state K-12 public school. The state shall forgive one year of loan obligation for every two years a recipient teaches in a public school. Recipients who fail to continue a course of study leading to residency teacher certification or cease to teach in a public school in the state of Washington in their endorsement area are required to repay the remaining loan principal with interest
- (5) Recipients who fail to fulfill the required teaching obligation are required to repay the remaining loan principal with interest and any other applicable fees. The student achievement council shall adopt rules to define the terms for repayment, including applicable interest rates, fees, and deferments.
- (6) The student achievement council may deposit all appropriations, collections, and any other funds received for the program in this chapter in the future teachers conditional scholarship account authorized in RCW 28B.102.080.

Passed by the House June 30, 2015. Passed by the Senate June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 10

[House Bill 1219]

DEPARTMENT OF TRANSPORTATION--STRUCTURALLY DEFICIENT BRIDGES--PERMITS

AN ACT Relating to expedited permitting and contracting for Washington state bridges deemed structurally deficient; amending RCW 47.28.170; reenacting and amending RCW 47.04.010; adding a new section to chapter 43.21C RCW; creating a new section; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** The legislature finds that, as of November 2014, there were one hundred thirty state-owned bridges classified as structurally deficient. The legislature further finds that a span of the Skagit river bridge on Interstate 5, the Trooper Sean M. O'Connell Jr. Memorial bridge, recently collapsed when an oversized load struck the trusses that supported the bridge. Although the Skagit river bridge was not considered structurally deficient, this

event underscores the importance of remedying bridge structural deficiencies as efficiently and expeditiously as possible. Thus, it is the intent of the legislature to provide for expedited permitting and contracting for state bridges identified as structurally deficient by the Washington state department of transportation.

<u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 43.21C RCW to read as follows:

The repair or replacement of a state bridge deemed structurally deficient, as defined in RCW 47.04.010, is exempt from compliance with this chapter as long as the action occurs within the existing right-of-way, except that the repair or replacement may occur outside the existing right-of-way as needed to meet current engineering standards or state or local environmental permit requirements for highway construction as long as the repair or replacement does not result in additional lanes for automobiles. The issuance of applicable state and local agency permits or approvals associated with the repair or replacement of such bridges is also included in this exemption from compliance with this chapter.

Sec. 3. RCW 47.04.010 and 2003 c 244 s 2 and 2003 c 141 s 8 are each reenacted and amended to read as follows:

The following words and phrases, wherever used in this title, shall have the meaning as in this section ascribed to them, unless where used the context thereof shall clearly indicate to the contrary or unless otherwise defined in the chapter of which they are a part:

- (1) "Alley." A highway within the ordinary meaning of alley not designated for general travel and primarily used as a means of access to the rear of residences and business establishments;
- (2) "Arterial highway." Every highway, as herein defined, or portion thereof designated as such by proper authority;
- (3) "Business district." The territory contiguous to and including a highway, as herein defined, when within any six hundred feet along such highway there are buildings in use for business or industrial purposes, including but not limited to hotels, banks, or office buildings, railroad stations, and public buildings which occupy at least three hundred feet of frontage on one side or three hundred feet collectively on both sides of the highway;
- (4) "Center line." The line, marked or unmarked parallel to and equidistant from the sides of a two-way traffic roadway of a highway except where otherwise indicated by painted lines or markers;
- (5) "Center of intersection." The point of intersection of the center lines of the roadways of intersecting highways;
- (6) "City street." Every highway as herein defined, or part thereof located within the limits of incorporated cities and towns, except alleys;
- (7) "Combination of vehicles." Every combination of motor vehicle and motor vehicle, motor vehicle and trailer, or motor vehicle and semitrailer;
- (8) "Commercial vehicle." Any vehicle the principal use of which is the transportation of commodities, merchandise, produce, freight, animals, or passengers for hire;
- (9) "County road." Every highway as herein defined, or part thereof, outside the limits of incorporated cities and towns and which has not been designated as a state highway, or branch thereof;

- (10) "Crosswalk." The portion of the roadway between the intersection area and a prolongation or connection of the farthest sidewalk line or in the event there are no sidewalks then between the intersection area and a line ten feet therefrom, except as modified by a marked crosswalk;
- (11) "Highway." Every way, lane, road, street, boulevard, and every way or place in the state of Washington open as a matter of right to public vehicular travel both inside and outside the limits of incorporated cities and towns;
- (12) "Intersection area." (a) The area embraced within the prolongation or connection of the lateral curb lines, or, if none, then the lateral boundary lines of the roadways of two or more highways which join one another at, or approximately at, right angles, or the area within which vehicles traveling upon different highways joining at any other angle may come in conflict;
- (b) Where a highway includes two roadways thirty feet or more apart, then every crossing of each roadway of such divided highway by an intersecting highway shall be regarded as a separate intersection. In the event such intersecting highway also includes two roadways thirty feet or more apart, then every crossing of two roadways of such highways shall be regarded as a separate intersection;
- (c) The junction of an alley with a street or highway shall not constitute an intersection;
- (13) "Intersection control area." The intersection area as herein defined, together with such modification of the adjacent roadway area as results from the arc or curb corners and together with any marked or unmarked crosswalks adjacent to the intersection;
- (14) "Laned highway." A highway the roadway of which is divided into clearly marked lanes for vehicular traffic;
- (15) "Local authorities." Every county, municipal, or other local public board or body having authority to adopt local police regulations under the Constitution and laws of this state;
- (16) "Marked crosswalk." Any portion of a roadway distinctly indicated for pedestrian crossing by lines or other markings on the surface thereof;
- (17) "Metal tire." Every tire, the bearing surface of which in contact with the highway is wholly or partly of metal or other hard, nonresilient material;
- (18) "Motor truck." Any motor vehicle, as herein defined, designed or used for the transportation of commodities, merchandise, produce, freight, or animals;
- (19) "Motor vehicle." Every vehicle, as herein defined, which is in itself a self-propelled unit;
- (20) "Multiple lane highway." Any highway the roadway of which is of sufficient width to reasonably accommodate two or more separate lanes of vehicular traffic in the same direction, each lane of which shall be not less than the maximum legal vehicle width, and whether or not such lanes are marked;
- (21) "Operator." Every person who drives or is in actual physical control of a vehicle as herein defined;
- (22) "Peace officer." Any officer authorized by law to execute criminal process or to make arrests for the violation of the statutes generally or of any particular statute or statutes relative to the highways of this state;
- (23) "Pedestrian." Any person afoot or who is using a wheelchair, power wheelchair as defined in RCW 46.04.415, or a means of conveyance propelled by human power other than a bicycle;

- (24) "Person." Every natural person, firm, copartnership, corporation, association, or organization;
- (25) "Personal wireless service." Any federally licensed personal wireless service;
- (26) "Personal wireless service facilities." Unstaffed facilities that are used for the transmission or reception, or both, of personal wireless services including, but not necessarily limited to, antenna arrays, transmission cables, equipment shelters, and support structures;
- (27) "Pneumatic tires." Every tire of rubber or other resilient material designed to be inflated with compressed air to support the load thereon;
- (28) "Private road or driveway." Every way or place in private ownership and used for travel of vehicles by the owner or those having express or implied permission from the owner, but not by other persons;
- (29) "Railroad." A carrier of persons or property upon vehicles, other than streetcars, operated upon stationary rails, the route of which is principally outside incorporated cities and towns;
- (30) "Railroad sign or signal." Any sign, signal, or device erected by authority of a public body or official or by a railroad and intended to give notice of the presence of railroad tracks or the approach of a railroad train;
- (31) "Residence district." The territory contiguous to and including the highway, as herein defined, not comprising a business district, as herein defined, when the property on such highway for a continuous distance of three hundred feet or more on either side thereof is in the main improved with residences or residences and buildings in use for business;
- (32) "Roadway." The paved, improved, or proper driving portion of a highway designed, or ordinarily used for vehicular travel;
- (33) "Safety zone." The area or space officially set apart within a roadway for the exclusive use of pedestrians and which is protected or is marked or indicated by painted marks, signs, buttons, standards, or otherwise so as to be plainly discernible;
- (34) "Sidewalk." That property between the curb lines or the lateral lines of a roadway, as herein defined, and the adjacent property, set aside and intended for the use of pedestrians or such portion of private property parallel and in proximity to a highway and dedicated to use by pedestrians;
- (35) "Solid tire." Every tire of rubber or other resilient material which does not depend upon inflation with compressed air for the support of the load thereon;
- (36) "State highway." Every highway as herein defined, or part thereof, which has been designated as a state highway, or branch thereof, by legislative enactment;
- (37) "Streetcar." A vehicle other than a train, as herein defined, for the transporting of persons or property and operated upon stationary rails principally within incorporated cities and towns;
- (38) "Traffic." Pedestrians, ridden or herded animals, vehicles, streetcars, and other conveyances either singly or together while using any highways for purposes of travel;
- (39) "Traffic control signal." Any traffic device, as herein defined, whether manually, electrically, or mechanically operated, by which traffic alternately is directed to stop or proceed or otherwise controlled;

- (40) "Traffic devices." All signs, signals, markings, and devices not inconsistent with this title placed or erected by authority of a public body or official having jurisdiction, for the purpose of regulating, warning, or guiding traffic;
- (41) "Train." A vehicle propelled by steam, electricity, or other motive power with or without cars coupled thereto, operated upon stationary rails, except street cars;
- (42) "Vehicle." Every device capable of being moved upon a highway and in, upon, or by which any person or property is or may be transported or drawn upon a highway, excepting power wheelchairs, as defined in RCW 46.04.415, or devices moved by human or animal power or used exclusively upon stationary rails or tracks: (43) "Structurally deficient." A state bridge that is classified as in poor condition under the state bridge condition rating system and is reported by the state to the national bridge inventory as having a deck, superstructure, or substructure rating of four or below. Structurally deficient bridges are characterized by deteriorated conditions of significant bridge elements and potentially reduced load carrying capacity. Bridges deemed structurally deficient typically require significant maintenance and repair to remain in service, and require major rehabilitation or replacement to address the underlying deficiency.

Words and phrases used herein in the past, present, or future tense shall include the past, present, and future tenses; words and phrases used herein in the masculine, feminine, or neuter gender shall include the masculine, feminine, and neuter genders; and words and phrases used herein in the singular or plural shall include the singular and plural; unless the context thereof shall indicate to the contrary.

- **Sec. 4.** RCW 47.28.170 and 2006 c 334 s 23 are each amended to read as follows:
- (1) Whenever the department finds that as a consequence of accident, natural disaster, or other emergency, an existing state highway is in jeopardy or is rendered impassible in one or both directions and the department further finds that prompt reconstruction, repair, or other work is needed to preserve or restore the highway for public travel, or when the department is preparing to conduct the repair or replacement of a state bridge deemed structurally deficient, as defined in RCW 47.04.010, by the department, the department may obtain at least three written bids for the work without publishing a call for bids, and the secretary of transportation may award a contract forthwith to the lowest responsible bidder.

The department shall notify any association or organization of contractors filing a request to regularly receive notification. Notification to an association or organization of contractors shall include: (a) The location of the work to be done; (b) the general anticipated nature of the work to be done; and (c) the date determined by the department as reasonable in view of the nature of the work and emergent nature of the problem after which the department will not receive bids.

(2) Whenever the department finds it necessary to protect a highway facility from imminent damage or to perform emergency work to reopen a highway facility, the department may contract for such work on a negotiated basis not to exceed force account rates for a period not to exceed thirty working days.

- (3) The secretary shall review any contract exceeding seven hundred thousand dollars awarded under subsection (1) or (2) of this section with the office of financial management within thirty days of the contract award.
- (4) Any person, firm, or corporation awarded a contract for work must be prequalified pursuant to RCW 47.28.070 and may be required to furnish a bid deposit or performance bond.
- (5) This section does not prevent the department from notifying contractors, that are not otherwise notified pursuant to subsection (1) of this section, of the availability of work that the department intends to contract for under this section.

<u>NEW SECTION.</u> **Sec. 5.** 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.

Passed by the House June 29, 2015. Passed by the Senate June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 11

[Engrossed Substitute House Bill 1842] TRANSIT AGENCY COORDINATION

AN ACT Relating to improving transit agency coordination; amending RCW 35.58.2796 and 47.66.030; adding a new section to chapter 47.66 RCW; creating a new section; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** The central Puget Sound is projected to grow considerably, in both population and jobs, over the course of the next several decades. It is thus critical that all its transportation infrastructure be well planned and coordinated, including its transit systems. It is the intent of the legislature to encourage this planning and coordination on the part of central Puget Sound transit systems in order to improve the user experience, increase ridership, and make the most effective use of tax dollars.

- Sec. 2. RCW 35.58.2796 and 2011 c 371 s 2 are each amended to read as follows:
- (1)(a) The department of transportation shall develop an annual report summarizing the status of public transportation systems in the state for the previous calendar year. By December 1st of each year, the report must be made available to the transportation committees of the legislature and to each municipality, as defined in RCW 35.58.272, and to individual members of the municipality's legislative authority.
- $((\frac{(2)}{2}))$ (b) To assist the department with preparation of the report, each municipality shall file a system report by September 1st of each year with the state department of transportation identifying its public transportation services for the previous calendar year and its objectives for improving the efficiency and effectiveness of those services. The system report shall address those items required for each public transportation system in the department's report.
- (((3))) (c) The department report shall describe individual public transportation systems, including contracted transportation services and dial-a-

ride services, and include a statewide summary of public transportation issues and data. The descriptions shall include the following elements and such other elements as the department deems appropriate after consultation with the municipalities and the transportation committees of the legislature:

- (((a))) (i) Equipment and facilities, including vehicle replacement standards;
- (((b))) (ii) Services and service standards;
- (((e))) (iii) Revenues, expenses, and ending balances, by fund source;
- (((d))) (iv) Policy issues and system improvement objectives, including community participation in development of those objectives and how those objectives address statewide transportation priorities;
- (((e))) (v) Operating indicators applied to public transportation services, revenues, and expenses. Operating indicators shall include operating cost per passenger trip, operating cost per revenue vehicle service hour, passenger trips per revenue service hour, passenger trips per vehicle service mile, vehicle service hours per employee, and farebox revenue as a percent of operating costs.
- (((4))) (d) To the extent that information is available, the department report must include descriptive information on any other modes of public transportation, the impact of public transportation on transportation system performance, and how public transportation helps the state meet the transportation system policy goals described in RCW 47.04.280.
- (2)(a) The department of transportation shall develop an annual report summarizing the status of public transportation system coordination in and between counties with a population of seven hundred thousand or more that border Puget Sound for the previous calendar year. By December 1st of each year, the report must be made available to the transportation committees of the legislature and to each municipality, as defined in RCW 35.58.272, located in a county with a population of seven hundred thousand or more that borders Puget Sound and to individual members of the municipality's legislative authority.
- (b) To assist the department with preparation of the report required under this subsection, each municipality, as defined in RCW 35.58.272, located in a county with a population of seven hundred thousand or more that borders Puget Sound shall file a report by September 1st of each year with the department identifying its coordination efforts in the previous calendar year with other municipalities, as defined in RCW 35.58.272, located in counties with a population of seven hundred thousand or more that border Puget Sound in the following areas:
 - (i) Integrating marketing efforts:
 - (ii) Aligning fare structures;
 - (iii) Integrating service planning;
- (iv) Coordinating long-range planning, including capital projects planning and implementation;
- (v) Integrating other administrative functions and internal business processes as appropriate; and
 - (vi) Integrating certain customer-focused tools and initiatives.
- Sec. 3. RCW 47.66.030 and 2005 c 318 s 4 are each amended to read as follows:
- (1)(a) The department shall establish a regional mobility grant program. The purpose of the grant program is to aid local governments in funding projects such as intercounty connectivity service, park and ride lots, rush hour transit

service, and capital projects that improve the connectivity and efficiency of our transportation system. The department shall identify cost-effective projects that reduce delay for people and goods and improve connectivity between counties and regional population centers. The department shall submit a prioritized list of all projects requesting funding to the legislature by December 1st of each year.

- (b) Once the department has a prioritized list, pursuant to (a) of this subsection and RCW 47.66.040, of all projects requesting funding, the department shall reprioritize the projects in counties with a population of seven hundred thousand or more that border Puget Sound based on the same criteria used for the prioritized list as well as the additional criteria of coordination and integration. After this reprioritization, the department shall integrate these reprioritized projects with the prioritized projects from all other counties while ensuring that the prioritized projects from all other counties do not move to a lower relative position on this integrated list or, if a prioritized project from all other counties is in the funded portion of the prioritized list, out of the funded portion of this integrated list.
- (2) The department may establish an advisory committee to carry out the mandates of this chapter.
- (3) The department must report annually to the transportation committees of the legislature on the status of any grants projects funded by the program created under this section.

<u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 47.66 RCW to read as follows:

- (1) The transit coordination grant program is created in the department. The purpose of the transit coordination grant program is to encourage joint planning and coordination on the part of central Puget Sound transit systems in order to improve the user experience, increase ridership, and make the most effective use of tax dollars. The department shall oversee, manage, score, select, and evaluate transit coordination grant program project applications, and shall select transit coordination grant recipients annually. A transit agency located in a county or counties with a population of seven hundred thousand or more that border Puget Sound is eligible to apply to the department for transit coordination grants.
- (2) Projects eligible for transit coordination grants include, but are not limited to, projects that:
 - (a) Integrate marketing efforts;
 - (b) Align fare structures;
 - (c) Integrate service planning;
- (d) Coordinate long-range planning, including capital projects planning and implementation;
- (e) Integrate other administrative functions and internal business processes as appropriate; and
 - (f) Integrate certain customer-focused tools and initiatives.
- (3) Transit coordination grants must, at a minimum, be proposed jointly by two or more eligible transit agencies and must include a description of the:
 - (a) Issue or problem to be addressed;
 - (b) Specific solution and measurable outcomes;
- (c) Benefits such as cost savings, travel time improvements, improved coordination, and improved customer experience; and

- (d) Performance measurements and an evaluation plan that includes the identification of milestones towards successful completion of the project.
- (4) Transit coordination grant applications must include measurable outcomes for the project including, but not limited to, the following:
- (a) Impacts on service, such as increased service, improved service delivery, and improved transfers and coordination across transit service;
- (b) Impacts on customer service, such as: Improved reliability; improved outreach and coordination with customers, employers, and communities; improvements in customer service functions, such as customer response time and web-based and other communications; and
- (c) Impacts on administration, such as improved marketing and outreach efforts, integrated customer-focused tools, and improved cross-agency communications.
 - (5) Transit coordination grant applications must also include:
 - (a) Project budget and cost details; and
- (b) A commitment and description of local matching funding of at least ten percent of the project cost.
- (6) Upon completion of the project, transit coordination grant recipients must provide a report to the department that includes an overview of the project, how the grant funds were spent, and the extent to which the identified project outcomes were met. In addition, such reports must include a description of best practices that could be transferred to other transit agencies faced with similar issues to those addressed by the transit coordination grant recipient. The department must report annually to the transportation committees of the legislature on the transit coordination grants that were awarded, and the report must include data to determine if completed transit coordination grant projects produced the anticipated outcomes included in the grant applications.
 - (7) This section expires July 1, 2020.

<u>NEW SECTION.</u> **Sec. 5.** 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.

Passed by the House June 29, 2015.

Passed by the Senate June 30, 2015.

Approved by the Governor July 6, 2015.

Filed in Office of Secretary of State July 7, 2015.

CHAPTER 12

[Engrossed Substitute House Bill 2012]
DEPARTMENT OF TRANSPORTATION--PRACTICAL DESIGN

AN ACT Relating to the department of transportation implementation of practical design; reenacting and amending RCW 43.84.092 and 43.84.092; adding a new section to chapter 47.01 RCW; adding a new section to chapter 46.68 RCW; providing a contingent effective date; providing a contingent expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 47.01 RCW to read as follows:

- (1)(a) For projects identified as connecting Washington projects and supported by revenues under chapter . . . (Engrossed Substitute Senate Bill No. 5987), Laws of 2015 3rd sp. sess., it is the priority of the legislature that the department deliver the named projects. The legislature encourages the department to continue to institutionalize innovation and collaboration in design and project delivery with an eye toward the most efficient use of resources. In doing so, the legislature expects that, for some projects, costs will be reduced during the project design phase due to the application of practical design. However, significant changes to a project title or scope arising from the application of practical design requires legislative approval. The legislature will utilize existing mechanisms and processes to ensure timely and efficient approval. Practical design-related changes to the scope may be proposed by the department, for the legislature's approval, only if the project's intended performance is substantially unchanged and the local governments and interested stakeholders impacted by the project have been consulted and have reviewed the proposed changes.
- (b) To the greatest extent practicable, a contract for the construction of a project with any change to the title or scope, whether significant or not, arising from the application of practical design must not be let until the department has provided a detailed notice describing the change to the chairs and ranking members of the house of representatives and senate transportation committees or, if during the interim, to the joint transportation committee.
- (c) To determine the savings attributable to practical design, each connecting Washington project must be evaluated. For design-bid-build projects, the evaluation must occur at the end of the project design phase. For design-build projects, the evaluation must occur at the completion of thirty percent design. Each year as a part of its annual budget submittal, the department must include a detailed summary of how practical design has been applied and the associated savings gained. The annual summary must also include for each project: Details regarding any savings gained specifically through changes in the cost of materials, changes in the scope of a project and associated impacts on risk, the retirement of any risk reserves, and unused contingency funds.
- (2)(a) The transportation future funding program is intended to provide for future emergent transportation projects, accelerating the schedule for existing connecting Washington projects, and highway preservation investments, beginning in fiscal year 2024, based on savings accrued from the application of practical design and any retired risk or unused contingency funding on connecting Washington projects.
- (b) Beginning July 1, 2016, the department must submit a report to the state treasurer and the transportation committees of the legislature once every six months identifying the amount of savings attributable to the application of practical design, retired risk, and unused contingency funding, and report when the savings become available. The state treasurer must transfer the available amounts identified in the report to the transportation future funding program account created in section 2 of this act.
- (c) Beginning in fiscal year 2024, as a part of its budget submittal, the department may provide a list of highway improvement projects or preservation investments for potential legislative approval as part of the transportation future funding program. Highway improvement projects considered for inclusion under

the transportation future funding program may include new connecting Washington projects, or accelerate the schedule for existing connecting Washington projects, and must: Address significant safety concerns; alleviate congestion and advance mobility; provide compelling economic development gains; leverage partnership funds from local, federal, or other sources; or require a next phase of funding to build upon initial investments provided by the legislature.

(d) It is the intent of the legislature that if savings attributable to the application of practical design are used to accelerate existing connecting Washington projects, savings must also be used for new connecting Washington projects of equal cost.

<u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 46.68 RCW to read as follows:

The transportation future funding program account is created in the connecting Washington account established in chapter . . . (Engrossed Substitute Senate Bill No. 5987), Laws of 2015 3rd sp. sess. Moneys in the account may be spent only after appropriation. Expenditures from the account must be used only for preservation projects, to accelerate the schedule of connecting Washington projects identified in chapter . . . (Engrossed Substitute Senate Bill No. 5988), Laws of 2015 3rd sp. sess., for new connecting Washington projects, and for principal and interest on bonds authorized for the projects. It is the legislature's intent that moneys not be appropriated from the account until 2024 and that moneys in the account be expended in equal amounts between preservation and improvement projects. Moneys in the account may not be expended on the state route number 99 Alaskan Way viaduct replacement project.

- **Sec. 3.** RCW 43.84.092 and 2014 c 112 s 106, 2014 c 74 s 5, and 2014 c 32 s 6 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 Wav viaduct replacement project account, the 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 community forest trust account, 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, developmental disabilities community trust account, the diesel idle reduction 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 future funding program account, 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 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. 4.** RCW 43.84.092 and 2014 c 112 s 107, 2014 c 74 s 6, and 2014 c 32 s 7 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 Way viaduct replacement project account, 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 community forest trust account, 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 diesel idle reduction 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 future funding program account, 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 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.

<u>NEW SECTION.</u> **Sec. 5.** Section 3 of this act expires on the date the requirements set out in section 7, chapter 36, Laws of 2012 are met.

<u>NEW SECTION.</u> **Sec. 6.** Section 4 of this act takes effect on the date the requirements set out in section 7, chapter 36, Laws of 2012 are met.

<u>NEW SECTION.</u> **Sec. 7.** Except for section 4 of this act, 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.

Passed by the House June 29, 2015. Passed by the Senate June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 13

[Engrossed Substitute Senate Bill 5820]
DEPARTMENT OF TRANSPORTATION--SURPLUS PROPERTY

AN ACT Relating to department of transportation surplus property; amending RCW 47.12.283 and 47.12.063; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

- **Sec. 1.** RCW 47.12.283 and 2010 c 8 s 10006 are each amended to read as follows:
- (1) Whenever the department of transportation determines that any real property owned by the state of Washington and under the jurisdiction of the department is no longer required for highway purposes and that it is in the public interest to do so, the department may, in its discretion, sell the property under RCW 47.12.063 or under subsections (2) through (6) of this section.
- (2) Whenever the department determines to sell real property under its jurisdiction at public auction, the department shall first give notice thereof by ((publication on the same day of the week for two consecutive weeks, with the first publication at least two weeks prior to the date of the auction, in a legal newspaper of general circulation in the area where the property to be sold is located. The notice shall be placed in both the legal notices section and the real estate classified section of the newspaper)) the most appropriate method as determined by the department. The notice shall contain a description of the property, the time and place of the auction, and the terms of the sale. The sale may be for cash or by real estate contract.
- (3) The department shall sell the property at the public auction, in accordance with the terms set forth in the notice, to the highest and best bidder providing the bid is equal to or higher than the appraised fair market value of the property.
- (4) If no bids are received at the auction or if all bids are rejected, the department may, in its discretion, enter into negotiations for the sale of the property or may list the property with a licensed real estate broker. No property shall be sold by negotiations or through a broker for less than the property's appraised fair market value. Any offer to purchase real property pursuant to this subsection shall be in writing and may be rejected at any time prior to written acceptance by the department.
- (5) ((Before the department shall approve any offer for the purchase of real property having an appraised value of more than ten thousand dollars, pursuant to subsection (4) of this section, the department shall first publish a notice of the proposed sale in a local newspaper of general circulation in the area where the property is located. The notice shall include a description of the property, the selling price, the terms of the sale, including the price and interest rate if sold by real estate contract, and the name and address of the department employee or the real estate broker handling the transaction. The notice shall further state that any person may, within ten days after the publication of the notice, deliver to the designated state employee or real estate broker a written offer to purchase the property for not less than ten percent more than the negotiated sale price, subject to the same terms and conditions. A subsequent offer shall not be considered unless it is accompanied by a deposit of twenty percent of the offer in the form of cash, money order, cashiers check, or certified check payable to the Washington state treasurer, to be forfeited to the state (for deposit in the motor vehicle fund) if the offeror fails to complete the sale if the offeror's offer is accepted. If a subsequent offer is received, the first offeror shall be informed by registered or certified mail sent to the address stated in his or her offer. The first offeror shall then have ten days, from the date of mailing the notice of the increased offer, in which to file with the designated state employee or real estate broker a higher offer than that of the subsequent offeror. After the expiration of

the ten-day period, the department shall approve in writing the highest and best offer which the department then has on file.

- (6)) All moneys received pursuant to this section, less any real estate broker's commissions paid pursuant to RCW 47.12.320, shall be deposited in the motor vehicle fund.
- Sec. 2. RCW 47.12.063 and 2011 c 376 s 2 are each amended to read as follows:
- (1) It is the intent of the legislature to continue the department's policy giving priority consideration to abutting property owners in agricultural areas when disposing of property through its surplus property program under this section.
- (2) Whenever the department determines that any real property owned by the state of Washington and under the jurisdiction of the department is no longer required for transportation purposes and that it is in the public interest to do so, the department may sell the property or exchange it in full or part consideration for land or <u>building</u> improvements or for construction of <u>highway</u> improvements at fair market value to any person through the solicitation of written bids through public advertising in the manner prescribed under RCW 47.28.050 or in the manner prescribed under RCW 47.12.283.
- (3) The department may forego the processes prescribed by RCW 47.28.050 and 47.12.283 and sell the real property to any of the following entities or persons at fair market value:
 - (a) Any other state agency:
 - (b) The city or county in which the property is situated;
 - (c) Any other municipal corporation;
 - (d) Regional transit authorities created under chapter 81.112 RCW;
 - (e) The former owner of the property from whom the state acquired title;
- (f) In the case of residentially improved property, a tenant of the department who has resided thereon for not less than six months and who is not delinquent in paying rent to the state;
- (g) Any abutting private owner but only after each other abutting private owner (if any), as shown in the records of the county assessor, is notified in writing of the proposed sale. If more than one abutting private owner requests in writing the right to purchase the property within fifteen days after receiving notice of the proposed sale, the property shall be sold at public auction in the manner provided in RCW 47.12.283;
 - (h) To any other owner of real property required for transportation purposes;
- (i) In the case of property suitable for residential use, any nonprofit organization dedicated to providing affordable housing to very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510 and is eligible to receive assistance through the Washington housing trust fund created in chapter 43.185 RCW; or
- (j) A federally recognized Indian tribe within whose reservation boundary the property is located.
- (4) When selling real property pursuant to RCW 47.12.283, the department may withhold or withdraw the property from an auction when requested by one of the entities or persons listed in subsection (3) of this section and only after the receipt of a nonrefundable deposit equal to ten percent of the fair market value of the real property or five thousand dollars, whichever is less. This subsection

does not prohibit the department from exercising its discretion to withhold or withdraw the real property from an auction if the department determines that the property is no longer surplus or chooses to sell the property through one of the other means listed in subsection (2) of this section. If a transaction under this subsection is not completed within sixty days, the real property must be put back up for sale.

- (5) Sales to purchasers may at the department's option be for cash, by real estate contract, or exchange of land or <u>highway</u> improvements. Transactions involving the construction of improvements must be conducted pursuant to chapter 47.28 RCW and Title 39 RCW, as applicable, and must comply with all other applicable laws and rules.
- (6) Conveyances made pursuant to this section shall be by deed executed by the secretary of transportation and shall be duly acknowledged.
- (7) Unless otherwise provided, all moneys received pursuant to the provisions of this section less any real estate broker commissions paid pursuant to RCW 47.12.320 shall be deposited in the motor vehicle fund.
- (8) The department may not enter into equal value exchanges or property acquisitions for building improvements without first consulting with the office of financial management and the joint transportation committee.
- <u>NEW SECTION.</u> **Sec. 3.** 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.

Passed by the Senate June 28, 2015. Passed by the House June 30, 2015. Approved by the Governor July 6, 2015.

Filed in Office of Secretary of State July 7, 2015.

CHAPTER 14

[Second Engrossed Substitute Senate Bill 5992] FERRY VESSEL CONSTRUCTION--REQUIREMENTS

AN ACT Relating to modifying certain requirements for ferry vessel construction; amending RCW 47.60.005, 47.60.010, 47.60.810, 47.60.814, 47.60.820, and 47.56.030; adding a new section to chapter 47.60 RCW; repealing RCW 47.56.780; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 47.60.005 and 2008 c 124 s 1 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Adaptive management" means a systematic process for continually improving management policies and practices by learning from the outcomes of operational programs.
- (2) "Capital plan" means the state ferry system plan developed by the department as described in RCW 47.06.050(2), reviewed by the commission, and reported to the transportation committees of the legislature by the ((eommission)) department.
- (3) "Capital project" has the same meaning as used in budget instructions developed by the office of financial management.

- (4) "Commission" means the transportation commission created in RCW 47.01.051.
- (5) "Improvement project" has the same meaning as in the budget instructions developed by the office of financial management. If the budget instructions do not define improvement project, then it has the same meaning as "program project" in the budget instructions. If a project meets both the improvement project and preservation project definitions in this section it must be defined as an improvement project. New vessel acquisitions must be defined as improvement projects.
- (6) "Life-cycle cost model" means that portion of a capital asset inventory system which, among other things, is used to estimate future preservation needs.
- (7) "Maintenance cost" has the same meaning as used in budget instructions developed by the office of financial management.
- (8) "Preservation project" has the same meaning as used in budget instructions developed by the office of financial management.
- (9) "Route" means all ferry sailings from one location to another, such as the Seattle to Bainbridge route or the Port Townsend to Keystone route.
- (10) "Sailing" means an individual ferry sailing for a specific route, such as the 5:00 p.m. sailing from Seattle to Bremerton.
- (11) "Travel shed" means one or more ferry routes with distinct characteristics as determined by the department.
- (12) "Fixed price contract" means a contract that requires the contractor to deliver a specified project for a set price. Change orders on fixed price contracts are allowable but should be used on a very limited basis.
- (13) "Life-cycle cost analysis" means an analysis of the full net present value cost of constructing and operating a vessel over its life span, including capital costs, financing costs, operation and maintenance costs, decommissioning costs, and variable costs including fuel.
- Sec. 2. RCW 47.60.010 and 2008 c 122 s 20 are each amended to read as follows:

The department is authorized to acquire by lease, charter, contract, purchase, condemnation, or construction, and partly by any or all of such means, and to thereafter operate, improve, and extend, a system of ferries on and crossing Puget Sound and any of its tributary waters and connections thereof, and connecting with the public streets and highways in the state. However, any new vessel planning, construction, purchase, analysis, or design work must be consistent with RCW 47.60.810. The system of ferries shall include such boats, vessels, wharves, docks, approaches, landings, franchises, licenses, and appurtenances as shall be determined by the department to be necessary or desirable for efficient operation of the ferry system and best serve the public. Subject to RCW 47.56.820, the department may in like manner acquire by purchase, condemnation, or construction and include in the ferry system such toll bridges, approaches, and connecting roadways as may be deemed by the department advantageous in channeling traffic to points served by the ferry system. In addition to the powers of acquisition granted by this section, the department is empowered to enter into any contracts, agreements, or leases with any person, firm, or corporation and to thereby provide, on such terms and conditions as it shall determine, for the operation of any ferry or ferries or system thereof, whether acquired by the department or not.

The authority of the department to sell and lease back any state ferry, for federal tax purposes only, as authorized by 26 U.S.C., Sec. 168(f)(8) is confirmed. Legal title and all incidents of legal title to any ferry sold and leased back (except for the federal tax benefits attributable to the ownership thereof) shall remain in the state of Washington.

- Sec. 3. RCW 47.60.810 and 2001 c 226 s 4 are each amended to read as follows:
- (1) The department (($\frac{\text{may purchase new auto ferries through}}{\text{contract executed before the effective date of this section,}}$ whereby the prevailing shipbuilder and the department engage in a design and build partnership for the design and construction of the auto ferries. The process consists of the three phases described in subsection (($\frac{\text{(2)}}{\text{(2)}}$)) (3) of this section.
- (2) Throughout the three phases described in subsection (3) of this section, the department shall employ an independent owner's representative to serve as a third-party intermediary between the department and the proposers, and subsequently the successful proposer. However, this representative shall serve only during the development and construction of the first vessel constructed as part of a new class of vessels developed after the effective date of this section. The independent owner's representative shall:
- (a) Serve as the department's primary advocate and communicator with the proposers and successful proposer;
 - (b) Perform project quality oversight;
 - (c) Manage any change order requests:
- (d) Ensure that the contract is adhered to and the department's best interests are considered in all decisions; and
- (e) Possess knowledge of and experience with inland waterways, Puget Sound vessel operations, the propulsion system of the new vessels, and Washington state ferries operations.
- (3) The definitions in this subsection apply throughout RCW 47.60.812 through 47.60.822.
- (a) "Phase one" means the evaluation and selection of proposers to participate in development of technical proposals in phase two.
- (b) "Phase two" means the preparation of technical proposals by the selected proposers in consultation with the department.
- (c) "Phase three" means the submittal and evaluation of bids, the award of the contract to the successful proposer, and the design and construction of the auto ferries.
- **Sec. 4.** RCW 47.60.814 and 2001 c 226 s 6 are each amended to read as follows:
- (1) Subject to legislative appropriation for the procurement of vessels, the department shall issue a request for proposals to interested parties that must include, at least, the following:
- $(((\frac{1}{1})))$ (a) Solicitation of a proposal to participate in a design and build partnership with the department to design and construct the auto ferries;
 - $((\frac{2}{2}))$ (b) Instructions on the prequalification process and procedures;

- (((3))) (c) A description of the modified request for proposals process. Under this process, the department may modify any component of the request for proposals, including the outline specifications, by addendum at any time before the submittal of bids in phase three;
- (((4))) (d) A description of the design and build partnership process to be used for procurement of the vessels;
- (((5))) (e) Outline specifications that provide the requirements for the vessels including, but not limited to, items such as length, beam, displacement, speed, propulsion requirements, capacities for autos and passengers, passenger space characteristics, and crew size. The department will produce notional line drawings depicting hull geometry that will interface with Washington state ferries terminal facilities. Notional lines may be modified in phase two, subject to approval by the department;
- $((\frac{(6)}{(6)}))$ (f) Instructions for the development of technical proposals in phase two, and information regarding confidentiality of technical proposals;
- (((7))) (g) The vessel delivery schedule, identification of the port on Puget Sound where delivery must take place, and the location where acceptance trials must be held;
 - ((8)) (h) The estimated price range for the contract;
 - (((9))) (i) Notification that the contract will be a fixed price contract;
 - (i) The form and amount of the required bid deposit and contract security;
- (((10))) (k) A copy of the contract that will be signed by the successful proposer;
- (((11))) (<u>1)</u> The date by which proposals in phase one must be received by the department in order to be considered;
- (((12))) (m) A description of information to be submitted in the proposals in phase one concerning each proposer's qualifications, capabilities, and experience;
- (((13))) (<u>n</u>) A statement of the maximum number of proposers that may be selected in phase one for development of technical proposals in phase two;
- (((14))) (o) Criteria that will be used for the phase one selection of proposers to participate in the phase two development of technical proposals;
- (((15))) (<u>p)</u> A description of the process that will be used for the phase three submittal and evaluation of bids, award of the contract, and postaward administrative activities;
- (((16))) (q) A requirement that the contractor comply with all applicable laws, rules, and regulations including but not limited to those pertaining to the environment, worker health and safety, and prevailing wages;
- (((17))) (r) A requirement that the vessels be constructed within the boundaries of the state of Washington except that equipment furnished by the state and components, products, and systems that are standard manufactured items are not subject to the in-state requirement under this subsection (1)(r). For the purposes of this subsection (1)(r), "constructed" means the fabrication, by the joining together by welding or fastening of all steel parts from which the total vessel is constructed, including, but not limited to, all shell frames, longitudinals, bulkheads, webs, piping runs, wire ways, and ducting. "Constructed" also means the installation of all components and systems, including, but not limited to, equipment and machinery, castings, electrical, electronics, deck covering, lining, paint, and joiner work required by the

- contract. "Constructed" also means the interconnection of all equipment, machinery, and services, such as piping, wiring, and ducting; ((and
- (18))) (s) A requirement that all vessel design specifications and drawings must be complete and, when applicable, meet United States coast guard standards before vessel construction begins; and
- (t) A requirement that all warranty work on the vessel must be performed within the boundaries of the state of Washington, insofar as practical.
- (2) The department shall not issue a request for proposals for the procurement of vessels, except on a contract executed before the effective date of this section, without specific authorization to do so from the legislature. After receiving such specific authorization, any request for proposals issued by the department must comply with section 5 of this act.

<u>NEW SECTION.</u> **Sec. 5.** A new section is added to chapter 47.60 RCW to read as follows:

- (1) The Washington state institute for public policy must conduct a costbenefit analysis of the state's ferry vessel procurement practices. This analysis must (a) compare in-state construction to construction at shipyards across the United States, (b) identify barriers to receiving three or more in-state bids to a request for proposals, and (c) recommend policies to encourage three or more instate bidders to respond to a request for proposals. This analysis must be provided to the governor, the transportation committees of the legislature, and the department by December 1, 2016.
- (2) In developing its engineer's estimate to procure a ferry vessel, the department must identify significant project cost drivers, including materials, labor, overhead, delivery, and profit.
- (3) After July 1, 2017, if all responses to the initial request for proposals under RCW 47.60.814 are greater than five percent above the department's engineer's estimate for the project, the department must reject all proposals and issue a subsequent request for proposal that is not subject to RCW 47.60.814(1)(r).
- Sec. 6. RCW 47.60.820 and 2001 c 226 s 9 are each amended to read as follows:

Phase three consists of the submittal and evaluation of bids and the award of the contract to the successful proposer for the final design and construction of the auto ferries, as follows:

- (1) The department shall request bids for detailed design and construction of the vessels after completion of the review of technical proposals in phase two. The department will review detailed design drawings in phase three for conformity with the technical proposals submitted in phase two. In no case may the department's review replace the builder's responsibility to deliver a product meeting the phase two technical proposal. The department may only consider bids from selected proposers that have qualified to bid by submitting technical proposals that have been approved by the department.
- (2) Each qualified proposer must submit its total bid price for all vessels, including certification that the bid is based upon its approved technical proposal and the request for proposals.
- (3) Bids constitute an offer and remain open for ninety days from the date of the bid opening. A deposit in cash, certified check, cashier's check, or surety

bond in an amount specified in the request for proposals must accompany each bid and no bid may be considered unless the deposit is enclosed.

- (4) The department shall evaluate the submitted bids. Upon completing the bid evaluation, the department may select the responsive and responsible proposer that offers the lowest total <u>fixed price</u> bid ((price)) for all vessels.
- (5) The department may waive informalities in the proposal and bid process, accept a bid from the lowest responsive and responsible proposer, reject any or all bids, republish, and revise or cancel the request for proposals to serve the best interests of the department.
 - (6) The department may:
- (a) Award the contract to the proposer that has been selected as the responsive and responsible proposer that has submitted the lowest total <u>fixed price</u> bid ((price));
- (b) If a contract cannot be signed with the apparent successful proposer, award the contract to the next lowest responsive and responsible proposer; or
- (c) If necessary, repeat this procedure with each responsive and responsible proposer in order of rank until the list of those proposers has been exhausted.
- (7) If the department awards a contract to a proposer under this section, and the proposer fails to enter into the contract and furnish satisfactory contract security as required by chapter 39.08 RCW within twenty days from the date of award, its deposit is forfeited to the state and will be deposited by the state treasurer to the credit of the Puget Sound capital construction account. Upon the execution of a ferry design and construction contract all proposal deposits will be returned.
- (8) The department may provide an honorarium to reimburse each unsuccessful phase three proposer for a portion of its technical proposal preparation costs at a preset, fixed amount to be specified in the request for proposals. If the department rejects all bids, the department may provide the honoraria to all phase three proposers that submitted bids.
- (9)(a) To accommodate change orders on a fixed price contract, the department shall request that the legislative appropriation for any auto ferry construction project include a contingency in the following amounts:
- (i) For the first vessel in any class of vessels designed to be powered by liquefied natural gas, the contingency may be no more than ten percent of the contract price;
- (ii) For all other vessels, the contingency may be no more than five percent of the contract price.
- (b) The contingency required by this subsection (9) must be identified in the funding request to the legislature and held in reserve until the office of financial management approves the expenditure.
- Sec. 7. RCW 47.56.030 and 2008 c 122 s 8 are each amended to read as follows:
 - (1) Except as permitted under chapter 47.29 or 47.46 RCW:
- (a) Unless otherwise delegated, and subject to RCW 47.56.820, the department of transportation shall have full charge of the planning, analysis, and construction of all toll bridges and other toll facilities including the Washington state ferries, and the operation and maintenance thereof.
- (b) The transportation commission shall determine and establish the tolls and charges thereon.

- (c) Unless otherwise delegated, and subject to RCW 47.56.820, the department shall have full charge of planning, analysis, and design of all toll facilities. The department may conduct the planning, analysis, and design of toll facilities as necessary to support the legislature's consideration of toll authorization.
- (d) The department shall utilize and administer toll collection systems that are simple, unified, and interoperable. To the extent practicable, the department shall avoid the use of toll booths. The department shall set the statewide standards and protocols for all toll facilities within the state, including those authorized by local authorities.
- (e) Except as provided in this section, the department shall proceed with the construction of such toll bridges and other facilities and the approaches thereto by contract in the manner of state highway construction immediately upon there being made available funds for such work and shall prosecute such work to completion as rapidly as practicable. The department is authorized to negotiate contracts for any amount without bid under (e)(i) and (ii) of this subsection:
- (i) Emergency contracts, in order to make repairs to ferries or ferry terminal facilities or removal of such facilities whenever continued use of ferries or ferry terminal facilities constitutes a real or immediate danger to the traveling public or precludes prudent use of such ferries or facilities; and
- (ii) Single source contracts for vessel dry dockings, when there is clearly and legitimately only one available bidder to conduct dry dock-related work for a specific class or classes of vessels. The contracts may be entered into for a single vessel dry docking or for multiple vessel dry dockings for a period not to exceed two years.
- (f) Any new vessel planning, construction, purchase, analysis, or design work must be consistent with RCW 47.60.810.
- (2) The department shall proceed with the procurement of materials, supplies, services, and equipment needed for the support, maintenance, and use of a ferry, ferry terminal, or other facility operated by Washington state ferries, in accordance with chapter 43.19 RCW except as follows:
- (a) When the secretary of the department of transportation determines in writing that the use of invitation for bid is either not practicable or not advantageous to the state and it may be necessary to make competitive evaluations, including technical or performance evaluations among acceptable proposals to complete the contract award, a contract may be entered into by use of a competitive sealed proposals method, and a formal request for proposals solicitation. Such formal request for proposals solicitation shall include a functional description of the needs and requirements of the state and the significant factors.
- (b) When purchases are made through a formal request for proposals solicitation the contract shall be awarded to the responsible proposer whose competitive sealed proposal is determined in writing to be the most advantageous to the state taking into consideration price and other evaluation factors set forth in the request for proposals. No significant factors may be used in evaluating a proposal that are not specified in the request for proposals. Factors that may be considered in evaluating proposals include but are not limited to: Price; maintainability; reliability; commonality; performance levels; life cycle cost if applicable under this section; cost of transportation or delivery;

delivery schedule offered; installation cost; cost of spare parts; availability of parts and service offered; and the following:

- (i) The ability, capacity, and skill of the proposer to perform the contract or provide the service required;
- (ii) The character, integrity, reputation, judgment, experience, and efficiency of the proposer;
- (iii) Whether the proposer can perform the contract within the time specified;
 - (iv) The quality of performance of previous contracts or services;
- (v) The previous and existing compliance by the proposer with laws relating to the contract or services;
- (vi) Objective, measurable criteria defined in the request for proposal. These criteria may include but are not limited to items such as discounts, delivery costs, maintenance services costs, installation costs, and transportation costs; and
- (vii) Such other information as may be secured having a bearing on the decision to award the contract.
- (c) When purchases are made through a request for proposal process, proposals received shall be evaluated based on the evaluation factors set forth in the request for proposal. When issuing a request for proposal for the procurement of propulsion equipment or systems that include an engine, the request for proposal must specify the use of a life cycle cost analysis that includes an evaluation of fuel efficiency. When a life cycle cost analysis is used, the life cycle cost of a proposal shall be given at least the same relative importance as the initial price element specified in the request of proposal documents. The department may reject any and all proposals received. If the proposals are not rejected, the award shall be made to the proposer whose proposal is most advantageous to the department, considering price and the other evaluation factors set forth in the request for proposal.

<u>NEW SECTION.</u> **Sec. 8.** RCW 47.56.780 (New ferry vessel construction for service on routes that require a vessel that carries no more than one hundred motor vehicles—How constructed—Warranty work) and 2008 c 4 s 2 are each repealed.

<u>NEW SECTION.</u> **Sec. 9.** 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.

Passed by the Senate June 28, 2015.

Passed by the House June 30, 2015.

Approved by the Governor July 6, 2015.

Filed in Office of Secretary of State July 7, 2015.

CHAPTER 15

[Second Engrossed Substitute Senate Bill 5994] TRANSPORTATION PROJECTS

AN ACT Relating to permits for state transportation projects; amending RCW 90.58.140 and 90.58.355; adding new sections to chapter 47.01 RCW; adding a new section to chapter 35.21 RCW; adding a new section to chapter 36.01 RCW; adding a new section to chapter 90.58 RCW; creating new sections; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that in 2012 the legislature passed Second Engrossed Substitute Senate Bill No. 6406 (chapter 1, Laws of 2012 1st sp. sess.), which updated statutory provisions relating to natural resource management and regulatory programs. The legislature finds that opportunities to build upon the updates made in 2012 and to further streamline regulatory processes and achieve program efficiencies while maintaining current levels of natural resource protection exist. The legislature intends to update provisions relating to the review, permitting, and approval of department of transportation projects, particularly those that occur on shorelines of the state, to achieve these opportunities.

The legislature further finds that the shoreline management act of 1971, codified in chapter 90.58 RCW, was approved and enacted by a vote of the people, and that the shoreline management act embodies a balance between the protection of state shorelines and development. Recognizing this balance, the legislature intends to facilitate transportation projects while ensuring accountability.

<u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 47.01 RCW to read as follows:

- (1) To the greatest extent practicable, a city, town, code city, or county must make a final determination on all permits required for a project on a state highway as defined in RCW 46.04.560 no later than ninety days after the department's submission of a complete permit application for a project with an estimated cost of less than five hundred million dollars.
- (2) The department must report annually to the governor and the transportation committees of the house of representatives and the senate in compliance with RCW 43.01.036 regarding any permit application that takes longer than the number of days identified in subsection (1) of this section to process.

<u>NEW SECTION.</u> **Sec. 3.** A new section is added to chapter 35.21 RCW to read as follows:

A city or town must comply with the requirements of section 2 of this act in making a final determination on a permit as part of a project on a state highway as defined in RCW 46.04.560.

<u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 35A.21 RCW to read as follows:

A code city must comply with the requirements of section 2 of this act in making a final determination on a permit as part of a project on a state highway as defined in RCW 46.04.560.

<u>NEW SECTION.</u> **Sec. 5.** A new section is added to chapter 36.01 RCW to read as follows:

A county must comply with the requirements of section 2 of this act in making a final determination on a permit as part of a project on a state highway as defined in RCW 46.04.560.

<u>NEW SECTION.</u> **Sec. 6.** A new section is added to chapter 47.01 RCW to read as follows:

The department shall coordinate a state agency work group in 2016 that will identify issues, laws, and regulations relevant to consolidating and coordinating the review processes under the national environmental policy act, 42 U.S.C. Sec. 4321 et seq. and chapter 43.21C RCW to streamline the review of and avoid delays to projects on state highways as defined in RCW 46.04.560. The department must report the work group's findings to the joint transportation committee in compliance with RCW 43.01.036 by December 31, 2016. State agencies in the work group must include the department, the department of ecology, and any other relevant agencies. The report must include: An inventory of federal and state environmental regulatory authority; a discussion of the issues pertaining to the current process and timelines used by state and federal agencies for reviewing projects on state highways as defined in RCW 46.04.560; and recommendations for legislation or rules that would reduce delays and time associated with review by state and federal agencies, including suggestions for new categorical exemptions.

- Sec. 7. RCW 90.58.140 and 2012 c 84 s 2 are each amended to read as follows:
- (1) A development shall not be undertaken on the shorelines of the state unless it is consistent with the policy of this chapter and, after adoption or approval, as appropriate, the applicable guidelines, rules, or master program.
- (2) A substantial development shall not be undertaken on shorelines of the state without first obtaining a permit from the government entity having administrative jurisdiction under this chapter.

A permit shall be granted:

- (a) From June 1, 1971, until such time as an applicable master program has become effective, only when the development proposed is consistent with: (i) The policy of RCW 90.58.020; and (ii) after their adoption, the guidelines and rules of the department; and (iii) so far as can be ascertained, the master program being developed for the area;
- (b) After adoption or approval, as appropriate, by the department of an applicable master program, only when the development proposed is consistent with the applicable master program and this chapter.
- (3) The local government shall establish a program, consistent with rules adopted by the department, for the administration and enforcement of the permit system provided in this section. The administration of the system so established shall be performed exclusively by the local government.
- (4) Except as otherwise specifically provided in subsection (11) of this section, the local government shall require notification of the public of all applications for permits governed by any permit system established pursuant to subsection (3) of this section by ensuring that notice of the application is given by at least one of the following methods:
- (a) Mailing of the notice to the latest recorded real property owners as shown by the records of the county assessor within at least three hundred feet of the boundary of the property upon which the substantial development is proposed;
- (b) Posting of the notice in a conspicuous manner on the property upon which the project is to be constructed; or
- (c) Any other manner deemed appropriate by local authorities to accomplish the objectives of reasonable notice to adjacent landowners and the public.

The notices shall include a statement that any person desiring to submit written comments concerning an application, or desiring to receive notification of the final decision concerning an application as expeditiously as possible after the issuance of the decision, may submit the comments or requests for decisions to the local government within thirty days of the last date the notice is to be published pursuant to this subsection. The local government shall forward, in a timely manner following the issuance of a decision, a copy of the decision to each person who submits a request for the decision.

If a hearing is to be held on an application, notices of such a hearing shall include a statement that any person may submit oral or written comments on an application at the hearing.

- (5) The system shall include provisions to assure that construction pursuant to a permit will not begin or be authorized until twenty-one days from the date the permit decision was filed as provided in subsection (6) of this section; or until all review proceedings are terminated if the proceedings were initiated within twenty-one days from the date of filing as defined in subsection (6) of this section except as follows:
- (a) In the case of any permit issued to the state of Washington, department of transportation, for the construction and modification of SR 90 (I-90) on or adjacent to Lake Washington, the construction may begin after thirty days from the date of filing, and the permits are valid until December 31, 1995;
- (b)(i) In the case of any permit or decision to issue any permit to the state of Washington, department of transportation, for the replacement of the floating bridge and landings of the state route number 520 Evergreen Point bridge on or adjacent to Lake Washington, the construction may begin twenty-one days from the date of filing. Any substantial development permit granted for the floating bridge and landings is deemed to have been granted on the date that the local government's decision to grant the permit is issued. This authorization to construct is limited to only those elements of the floating bridge and landings that do not preclude the department of transportation's selection of a four-lane alternative for state route number 520 between Interstate 5 and Medina. Additionally, the Washington state department of transportation shall not engage in or contract for any construction on any portion of state route number 520 between Interstate 5 and the western landing of the floating bridge until the legislature has authorized the imposition of tolls on the Interstate 90 floating bridge and/or other funding sufficient to complete construction of the state route number 520 bridge replacement and HOV program. For the purposes of this subsection (5)(b), the "western landing of the floating bridge" means the least amount of new construction necessary to connect the new floating bridge to the existing state route number 520 and anchor the west end of the new floating bridge;
- (ii) Nothing in this subsection (5)(b) precludes the shorelines hearings board from concluding that the project or any element of the project is inconsistent with the goals and policies of the shoreline management act or the local shoreline master program;
- (iii) This subsection (5)(b) applies retroactively to any appeals filed after January 1, 2012, and to any appeals filed on or after March 23, 2012, and expires June 30, 2014((-));

- (c)(i) In the case of permits for projects addressing significant public safety risks, as defined by the department of transportation, it is not in the public interest to delay construction until all review proceedings are terminated. In the case of any permit issued under this chapter or decision to issue any permit under this chapter for a transportation project of the Washington state department of transportation, construction may begin twenty-one days after the date of filing if all components of the project achieve a no net loss of shoreline ecological functions, as defined by department guidelines adopted pursuant to RCW 90.58.060 and as determined through the following process:
- (A) The department of transportation, as part of the permit review process, must provide the local government with an assessment of how the project affects shoreline ecological functions. The assessment must include specific actions for avoiding, minimizing, and mitigating impacts to shoreline ecological functions, developed in consultation with the department, that ensure there is no net loss of shoreline ecological functions; and
- (B) The local government, after reviewing the assessment required in (c)(i)(A) of this subsection and prior to the final issuance of all appropriate shoreline permits and variances, must determine that the project will result in no net loss of shoreline ecological functions.
- (ii) Nothing in this subsection (5)(c) precludes the shorelines hearings board from concluding that the shoreline project or any element of the project is inconsistent with this chapter, the local shoreline master program, chapter 43.21C RCW and its implementing regulations, or the applicable shoreline regulations.
- (iii) This subsection (5)(c) does not apply to permit decisions for the replacement of the floating bridge and landings of the state route number 520 Evergreen Point bridge on or adjacent to Lake Washington;
- (d) Except as authorized in (b) and (c) of this subsection, construction may be commenced no sooner than thirty days after the date of the appeal of the board's decision is filed if a permit is granted by the local government and (i) the granting of the permit is appealed to the shorelines hearings board within twenty-one days of the date of filing, (ii) the hearings board approves the granting of the permit by the local government or approves a portion of the substantial development for which the local government issued the permit, and (iii) an appeal for judicial review of the hearings board decision is filed pursuant to chapter 34.05 RCW. The appellant may request, within ten days of the filing of the appeal with the court, a hearing before the court to determine whether construction pursuant to the permit approved by the hearings board or to a revised permit issued pursuant to the order of the hearings board should not commence. If, at the conclusion of the hearing, the court finds that construction pursuant to such a permit would involve a significant, irreversible damaging of the environment, the court shall prohibit the permittee from commencing the construction pursuant to the approved or revised permit until all review proceedings are final. Construction pursuant to a permit revised at the direction of the hearings board may begin only on that portion of the substantial development for which the local government had originally issued the permit, and construction pursuant to such a revised permit on other portions of the substantial development may not begin until after all review proceedings are terminated. In such a hearing before the court, the burden of proving whether the

construction may involve significant irreversible damage to the environment and demonstrating whether such construction would or would not be appropriate is on the appellant;

(((d))) (e) Except as authorized in (b) and (c) of this subsection, if the permit is for a substantial development meeting the requirements of subsection (11) of this section, construction pursuant to that permit may not begin or be authorized until twenty-one days from the date the permit decision was filed as provided in subsection (6) of this section.

If a permittee begins construction pursuant to (a), (b), (c), ((er)) (d), or (e) of this subsection, the construction is begun at the permittee's own risk. If, as a result of judicial review, the courts order the removal of any portion of the construction or the restoration of any portion of the environment involved or require the alteration of any portion of a substantial development constructed pursuant to a permit, the permittee is barred from recovering damages or costs involved in adhering to such requirements from the local government that granted the permit, the hearings board, or any appellant or intervener.

- (6) Any decision on an application for a permit under the authority of this section, whether it is an approval or a denial, shall, concurrently with the transmittal of the ruling to the applicant, be filed with the department and the attorney general. This shall be accomplished by return receipt requested mail. A petition for review of such a decision must be commenced within twenty-one days from the date of filing of the decision.
- (a) With regard to a permit other than a permit governed by subsection (10) of this section, "date of filing" as used in this section refers to the date of actual receipt by the department of the local government's decision.
- (b) With regard to a permit for a variance or a conditional use governed by subsection (10) of this section, "date of filing" means the date the decision of the department is transmitted by the department to the local government.
- (c) When a local government simultaneously transmits to the department its decision on a shoreline substantial development with its approval of either a shoreline conditional use permit or variance, or both, "date of filing" has the same meaning as defined in (b) of this subsection.
- (d) The department shall notify in writing the local government and the applicant of the date of filing by telephone or electronic means, followed by written communication as necessary, to ensure that the applicant has received the full written decision.
- (7) Applicants for permits under this section have the burden of proving that a proposed substantial development is consistent with the criteria that must be met before a permit is granted. In any review of the granting or denial of an application for a permit as provided in RCW 90.58.180 (1) and (2), the person requesting the review has the burden of proof.
- (8) Any permit may, after a hearing with adequate notice to the permittee and the public, be rescinded by the issuing authority upon the finding that a permittee has not complied with conditions of a permit. If the department is of the opinion that noncompliance exists, the department shall provide written notice to the local government and the permittee. If the department is of the opinion that the noncompliance continues to exist thirty days after the date of the notice, and the local government has taken no action to rescind the permit, the department may petition the hearings board for a rescission of the permit upon

written notice of the petition to the local government and the permittee if the request by the department is made to the hearings board within fifteen days of the termination of the thirty-day notice to the local government.

- (9) The holder of a certification from the governor pursuant to chapter 80.50 RCW shall not be required to obtain a permit under this section.
- (10) Any permit for a variance or a conditional use issued with approval by a local government under their approved master program must be submitted to the department for its approval or disapproval.
- (11)(a) An application for a substantial development permit for a limited utility extension or for the construction of a bulkhead or other measures to protect a single-family residence and its appurtenant structures from shoreline erosion shall be subject to the following procedures:
- (i) The public comment period under subsection (4) of this section shall be twenty days. The notice provided under subsection (4) of this section shall state the manner in which the public may obtain a copy of the local government decision on the application no later than two days following its issuance;
- (ii) The local government shall issue its decision to grant or deny the permit within twenty-one days of the last day of the comment period specified in (a)(i) of this subsection; and
- (iii) If there is an appeal of the decision to grant or deny the permit to the local government legislative authority, the appeal shall be finally determined by the legislative authority within thirty days.
- (b) For purposes of this section, a limited utility extension means the extension of a utility service that:
- (i) Is categorically exempt under chapter 43.21C RCW for one or more of the following: Natural gas, electricity, telephone, water, or sewer;
 - (ii) Will serve an existing use in compliance with this chapter; and
- (iii) Will not extend more than twenty-five hundred linear feet within the shorelines of the state.

<u>NEW SECTION.</u> **Sec. 8.** To ensure that vital maintenance and minor safety upgrades to state transportation facilities are efficiently achieved while still protecting the shoreline environment, the legislature finds that it is in the public interest to exclude state highway maintenance and minor safety upgrade activities from local review and approval processes under the shoreline management act, as provided in sections 9 and 10 of this act.

Sec. 9. RCW 90.58.355 and 2012 c 169 s 1 are each amended to read as follows:

Requirements to obtain a substantial development permit, conditional use permit, ((or)) variance ((shall)), letter of exemption, or other review conducted by a local government to implement this chapter do not apply to ((any person)):

(1) Any person conducting a remedial action at a facility pursuant to a consent decree, order, or agreed order issued pursuant to chapter 70.105D RCW, or to the department of ecology when it conducts a remedial action under chapter 70.105D RCW. The department must ensure compliance with the substantive requirements of this chapter through the consent decree, order, or agreed order issued pursuant to chapter 70.105D RCW, or during the department-conducted remedial action, through the procedures developed by the department pursuant to RCW 70.105D.090; ((or))

- (2) <u>Any person installing</u> site improvements for storm water treatment in an existing boatyard facility to meet requirements of a national pollutant discharge elimination system storm water general permit. The department must ensure compliance with the substantive requirements of this chapter through the review of engineering reports, site plans, and other documents related to the installation of boatyard storm water treatment facilities; or
- (3) The department of transportation projects and activities that meet the conditions of section 10 of this act.

<u>NEW SECTION.</u> **Sec. 10.** A new section is added to chapter 90.58 RCW to read as follows:

- (1) For purposes of this section, the following definitions apply:
- (a) "Maintenance" means the preservation of the transportation facility, including surface, shoulders, roadsides, structures, and such traffic control devices as are necessary for safe and efficient utilization of the highway in a manner that substantially conforms to the preexisting design, function, and location as the original except to meet current engineering standards or environmental permit requirements.
- (b) "Repair" means to restore a structure or development to a state comparable to its original condition including, but not limited to, restoring the development's size, shape, configuration, location, and external appearance, within a reasonable period after decay or partial destruction. Repair of a structure or development may not cause substantial adverse effects to shoreline resources or the shoreline environment. Replacement of a structure or development may be considered a repair if: Replacement is the common method of repair for the type of structure or development; the replacement structure or development is comparable to the original structure or development including, but not limited to, the size, shape, configuration, location, and external appearance of the original structure or development; and the replacement does not cause substantial adverse effects to shoreline resources or the shoreline environment.
- (c) "Replacement" of any existing transportation facility means to replace in a manner that substantially conforms to the preexisting design, function, and location as the original except to meet current engineering standards or environmental permit requirements. Maintenance or replacement activities do not involve expansion of automobile lanes, and do not result in significant negative shoreline impact.
- (2) The following department of transportation projects and activities do not require a substantial development permit, conditional use permit, variance, letter of exemption, or other review conducted by a local government:
- (a) Maintenance, repair, or replacement that occurs within the roadway prism of a state highway as defined in RCW 46.04.560, the lease or ownership area of a state ferry terminal, or the lease or ownership area of a transit facility, including ancillary transportation facilities such as pedestrian paths, bicycle paths, or both, and bike lanes;
- (b) Construction or installation of safety structures and equipment, including pavement marking, freeway surveillance and control systems, railroad protective devices not including grade separated crossings, grooving, glare screen, safety barriers, energy attenuators, and hazardous or dangerous tree removal;

- (c) Maintenance occurring within the right-of-way; or
- (d) Construction undertaken in response to unforeseen, extraordinary circumstances that is necessary to prevent a decline, lapse, or cessation of service from a lawfully established transportation facility.
- (3) The department of transportation must provide written notification of projects and activities authorized under this section with a cost in excess of one million dollars before the design or plan is finalized to all agencies with jurisdiction, agencies with facilities or services that may be impacted, and adjacent property owners.

<u>NEW SECTION.</u> **Sec. 11.** 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.

Passed by the Senate June 28, 2015.
Passed by the House June 30, 2015.
Approved by the Governor July 6, 2015.
Filed in Office of Secretary of State July 7, 2015.

CHAPTER 16

[Second Engrossed Senate Bill 5995]
TRANSPORTATION SYSTEM--MOBILITY

AN ACT Relating to modifying the transportation system policy goal of mobility; amending RCW 47.04.280; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

- Sec. 1. RCW 47.04.280 and 2013 c 199 s 1 are each amended to read as follows:
- (1) It is the intent of the legislature to establish policy goals for the planning, operation, performance of, and investment in, the state's transportation system. The policy goals established under this section are deemed consistent with the benchmark categories adopted by the state's blue ribbon commission on transportation on November 30, 2000. Public investments in transportation should support achievement of these policy goals:
- (a) Economic vitality: To promote and develop transportation systems that stimulate, support, and enhance the movement of people and goods to ensure a prosperous economy;
- (b) Preservation: To maintain, preserve, and extend the life and utility of prior investments in transportation systems and services;
- (c) Safety: To provide for and improve the safety and security of transportation customers and the transportation system;
- (d) Mobility: To improve the predictable movement of goods and people throughout Washington state, including congestion relief and improved freight mobility;
- (e) Environment: To enhance Washington's quality of life through transportation investments that promote energy conservation, enhance healthy communities, and protect the environment; and
- (f) Stewardship: To continuously improve the quality, effectiveness, and efficiency of the transportation system.

- (2) The powers, duties, and functions of state transportation agencies must be performed in a manner consistent with the policy goals set forth in subsection (1) of this section.
- (3) These policy goals are intended to be the basis for establishing detailed and measurable objectives and related performance measures.
- (4) It is the intent of the legislature that the office of financial management establish objectives and performance measures for the department of transportation and other state agencies with transportation-related responsibilities to ensure transportation system performance at local, regional, and state government levels progresses toward the attainment of the policy goals set forth in subsection (1) of this section. The office of financial management shall submit initial objectives and performance measures to the legislature for its review and shall provide copies of the same to the commission during the 2008 legislative session. The office of financial management shall submit objectives and performance measures to the legislature for its review and shall provide copies of the same to the commission during each regular session of the legislature during an even-numbered year thereafter.
- (5) A local or regional agency engaging in transportation planning may voluntarily establish objectives and performance measures to demonstrate progress toward the attainment of the policy goals set forth in subsection (1) of this section or any other transportation policy goals established by the local or regional agency. A local or regional agency engaging in transportation planning is encouraged to provide local and regional objectives and performance measures to be included with the objectives and performance measures submitted to the legislature pursuant to subsection (4) of this section.
 - (6) This section does not create a private right of action.

<u>NEW SECTION.</u> **Sec. 2.** 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.

Passed by the Senate June 28, 2015. Passed by the House June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 17

[Second Engrossed Substitute Senate Bill 5996]
DEPARTMENT OF TRANSPORTATION--PROJECTS

AN ACT Relating to Washington state department of transportation projects; adding new sections to chapter 47.01 RCW; adding a new section to chapter 77.95 RCW; adding a new chapter to Title 47 RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** It is the intent of the legislature to achieve transportation regulatory reform that expedites the delivery of transportation projects through a streamlined approach to environmental decision making. The department of transportation should work cooperatively and proactively with state regulatory and natural resource agencies, public and private sector interests, and Indian tribes to avoid project delays. The department and state regulatory

and natural resource agencies should continue to implement and improve upon the successful policies, guidance, tools, and procedures that were created as a result of transportation permit efficiency and accountability committee efforts. The department should expedite project delivery and routine maintenance activities through the use of programmatic agreements and permits where possible and seek new opportunities to eliminate duplicative processes.

<u>NEW SECTION.</u> **Sec. 2.** The legislature recognizes the value that tribal governments provide in the review of transportation projects. The legislature expects the department to continue its efforts to provide consistent consultation and communication during the environmental review of proposed transportation projects.

<u>NEW SECTION.</u> **Sec. 3.** The department must streamline the permitting process by developing and maintaining positive relationships with the regulatory agencies and the Indian tribes. The department can reduce the time it takes to obtain permits by incorporating impact avoidance and minimization measures into project design and by developing complete permit applications. To streamline the permitting process, the department must:

- (1) Implement a multiagency permit program, commensurate with program funding levels, consisting of appropriate regulatory agency staff with oversight and management from the department.
- (a) The multiagency permit program must provide early project coordination, expedited project review, project status updates, technical and regulatory guidance, and construction support to ensure compliance.
- (b) The multiagency permit program staff must assist department project teams with developing complete biological assessments and permit applications, provide suggestions for how the project can avoid and minimize impacts, and provide input regarding mitigation for unavoidable impacts;
- (2) Establish, implement, and maintain programmatic agreements and permits with federal and state agencies to expedite the process of ensuring compliance with the endangered species act, section 106 of the national historic preservation act, hydraulic project approvals, the clean water act, and other federal acts as appropriate;
- (3) Collaborate with permitting staff from the United States army corps of engineers, Seattle district, department of ecology, and department of fish and wildlife to develop, implement, and maintain complete permit application guidance. The guidance must identify the information that is required for agencies to consider a permit application complete; and
- (4) Perform internal quality assurance and quality control to ensure that permit applications are complete before submitting them to the regulatory agencies.

<u>NEW SECTION.</u> **Sec. 4.** The legislature finds that an essential component of streamlined permit decision making is the ability of the department to demonstrate the capacity to meet environmental responsibilities. Therefore, the legislature directs that:

(1) Qualified environmental staff within the department must supervise the development of all environmental documentation in accordance with the department's project delivery tools;

- (2) The department must conduct special prebid meetings for projects that are environmentally complex. In addition, the department must review environmental requirements related to these projects during the preconstruction meeting held with the contractor who is awarded the bid;
- (3) Environmental staff at the department, or consultant staff hired directly by the department, must conduct field inspections to ensure that project activities comply with permit conditions and environmental commitments. These inspectors:
- (a) Must notify the department's project engineer when compliance with permit conditions or environmental regulations are not being met; and
- (b) Must immediately notify the regulatory agencies with jurisdiction over the nonconforming work; and
- (4) When a project is not complying with a permit or environmental regulation, the project engineer must immediately order the contractor to stop all nonconforming work and implement measures necessary to bring the project into compliance with permits and regulations.

<u>NEW SECTION.</u> **Sec. 5.** The legislature expects the department to continue its efforts to improve training and compliance. The department must:

- (1) Provide training in environmental procedures and permit requirements for those responsible for project delivery activities;
- (2) Require wetland mitigation sites to be designed by qualified technical specialists that meet training requirements developed by the department in consultation with the department of ecology. Environmental mitigation site improvements must have oversight by environmental staff;
- (3) Develop, implement, and maintain an environmental compliance data system to track permit conditions, environmental commitments, and violations;
- (4) Continue to implement the environmental compliance assurance procedure to ensure that appropriate agencies are notified and that action is taken to remedy noncompliant work as soon as possible. When work occurs that does not comply with environmental permits or regulations, the project engineer must document the lessons learned to make other project teams within the department aware of the violation to prevent reoccurrence; and
- (5) Provide an annual report summarizing violations of environmental permits and regulations to the department of ecology and the legislature on March 1st of each year for violations occurring during the preceding year.

NEW SECTION. Sec. 6. The legislature finds that local land use reviews under chapter 90.58 RCW need to be harmonized with the efficient accomplishment of necessary maintenance and improvement to state transportation facilities. Local land use review procedures are highly variable and pose distinct challenges for linear facility maintenance and improvement projects sponsored by the department. In particular, clearer procedures for local permitting under chapter 90.58 RCW are needed to meet the objectives of chapter 36.70A RCW regarding department facilities designated as essential public facilities.

<u>NEW SECTION.</u> **Sec. 7.** Nothing in this chapter may be interpreted to create a private right of action or right of review. Judicial review of the department's environmental review is limited to that available under chapter 43.21C RCW or applicable federal law.

<u>NEW SECTION.</u> **Sec. 8.** A new section is added to chapter 47.01 RCW to read as follows:

- (1) The department shall submit a report to the transportation committees of the legislature detailing engineering errors on highway construction projects resulting in project cost increases in excess of five hundred thousand dollars. The department must submit a full report within ninety days of the negotiated change order resulting from the engineering error.
 - (2) The department's full report must include an assessment and review of:
 - (a) How the engineering error happened;
- (b) The department of the employee or employees responsible for the engineering error, without disclosing the name of the employee or employees;
 - (c) What corrective action was taken;
- (d) The estimated total cost of the engineering error and how the department plans to mitigate that cost;
- (e) Whether the cost of the engineering error will impact the overall project financial plan; and
- (f) What action the secretary has recommended to avoid similar engineering errors in the future.

*<u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 47.01 RCW to read as follows:

Beginning in 2015-2017, the department shall include in its "Grey Notebook" (the department's data driven performance-based reporting structure) and provide an annual agency "LEAN & Performance & Accountability Report." A summary of this report must be provided annually to the office of financial management and the joint transportation committee of the legislature. This report must include progress made on achieving:

- (1) Criteria to prioritize asset management for maintenance, preservation, and capital improvements according to the legislatively mandated transportation goals;
- (2) The agency's strategic core values, goals, and outcomes to meet the legislatively mandated goals;
 - (3) Results of LEAN efforts;
- (4) Challenges in sustainable approaches to meeting statutory policy goals;
- (5) Status on specific reforms initiated by the secretary of transportation and operational effectiveness; and
- (6) Completion of a Baldrige assessment every three years with a goal of achieving a score of sixty percent within seven years of the first assessment.
 - Sec. 9 was vetoed. See message at end of chapter.

<u>NEW SECTION.</u> **Sec. 10.** A new section is added to chapter 77.95 RCW to read as follows:

- (1) The department of transportation, the department of ecology, and the department of fish and wildlife must use their existing authorities and guidance to provide a preference for the removal of existing fish passage barriers owned by cities and counties as compensatory mitigation for environmental impacts of transportation projects where appropriate.
- (2)(a) The department of transportation, the department of ecology, and the department of fish and wildlife must consult with other relevant entities to

develop a framework for encouraging off-site and out-of-kind local fish passage barrier mitigation that provides results that are consistent with habitat protection priorities and are ecologically preferable to on-site mitigation.

- (b) The implementation of this framework must:
- (i) Not delay transportation project delivery;
- (ii) Not be additive to the amount or cost of mitigation required under existing regulations;
- (iii) Not preclude on-site or off-site and in-kind mitigation when that is the most ecologically appropriate means to address project impacts;
- (iv) Not alter the mitigation sequencing principles of first avoidance and then minimization of impacts before compensatory mitigation;
- (v) Provide for a mechanism that identifies whether environmental impacts from projects are appropriate for local fish passage barrier mitigation;
- (vi) Provide a mechanism for affected parties, including tribes, to determine when and how to use off-site and out-of-kind mitigation to address fish passage barriers in particular watersheds;
- (vii) Consult the statewide fish passage barrier removal strategy developed by the fish passage barrier removal board created in RCW 77.95.160 and information provided by affected tribes, salmon recovery regional organizations, and local entities to identify specific priority locations where removal of local barriers would provide a net resource gain; and
- (viii) Consistent with existing mitigation regulations and guidelines, provide a preference, where appropriate, for investment in local fish passage barrier removal where greater environmental benefit can be achieved with off-site and out-of-kind mitigation.
- (c) In addition to the framework developed in (b) of this subsection, the department of transportation, the department of ecology, and the department of fish and wildlife must develop and implement an umbrella statewide in lieu fee program or other formal means to provide a streamlined mechanism to undertake priority local fish passage barrier corrections throughout the watersheds of the state as a preferred means of compensatory mitigation where appropriate for state transportation that is consistent with the principles in (a) and (b) of this subsection.
- (3) Nothing in this section is intended to create or expand the state's obligation for fish passage barrier correction according to existing law or court ruling. Nothing in this section is intended to decrease funding or otherwise impede the state's efforts to meet its obligation for fish passage barrier correction according to existing law or court ruling.

<u>NEW SECTION.</u> **Sec. 11.** Sections 1 through 7 of this act constitute a new chapter in Title 47 RCW.

<u>NEW SECTION.</u> **Sec. 12.** 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.

Passed by the Senate June 28, 2015.

Passed by the House June 30, 2015.

Approved by the Governor July 6, 2015, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State July 7, 2015.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 9, Second Engrossed Substitute Senate Bill No. 5996 entitled:

"AN ACT Relating to Washington state department of transportation projects."

This bill is one of several substantive transportation reform bills I am signing into law today. The goal of this particular bill is to streamline the environmental decision making process for transportation projects without sacrificing environmental protections. Section 9 contains additional reporting requirements for the Washington State Department of Transportation (WSDOT) on lean efforts and to complete a Baldridge assessment. I wholeheartedly support adequately measuring and reporting on performance metrics and lean management efforts. The transportation investment package, however, already includes a number of studies and reports WSDOT must complete and prioritize within available funding. The unfunded requirements in Section 9 of this bill unnecessarily hinder efforts to implement this and other reform bills.

For these reasons I have vetoed Section 9 of Second Engrossed Substitute Senate Bill No. 5996.

With the exception of Section 9, Second Engrossed Substitute Senate Bill No. 5996 is approved."

CHAPTER 18

[Second Engrossed Substitute Senate Bill 5997] TRANSPORTATION PROJECT DELIVERY

AN ACT Relating to transportation project delivery; amending RCW 47.20.780 and 47.20.785; adding a new section to chapter 47.01 RCW; creating a new section; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 47.20.780 and 2007 c 152 s 1 are each amended to read as follows:

The department of transportation shall develop a process for awarding competitively bid highway construction contracts for projects over ((ten)) two million dollars that may be constructed using a design-build procedure. As used in this section and RCW 47.20.785, "design-build procedure" means a method of contracting under which the department of transportation contracts with another party for the party to both design and build the structures, facilities, and other items specified in the contract.

The process developed by the department must, at a minimum, include the scope of services required under the design-build procedure, contractor prequalification requirements, criteria for evaluating technical information and project costs, contractor selection criteria, and issue resolution procedures.

Sec. 2. RCW 47.20.785 and 2006 c 37 s 1 are each amended to read as follows:

- (((1))) The department of transportation ((may)) is authorized and strongly encouraged to use the design-build procedure for public works projects over ((ten)) two million dollars ((where)) when:
- $((\frac{a}{a}))$ (1) The construction activities are highly specialized and a design-build approach is critical in developing the construction methodology; or
- $((\frac{b}{b}))$ (2) The projects selected provide opportunity for greater innovation and efficiencies between the designer and the builder; or
 - (((e))) (3) Significant savings in project delivery time would be realized.
- (((2) To test the applicability of the design-build procedure on smaller projects and specialty projects, the department may conduct up to five pilot projects on projects that cost between two and ten million dollars. The department shall evaluate these pilot projects with respect to cost, time to complete, efficiencies gained, if any, and other pertinent information to facilitate analysis regarding the further use of the design-build process on projects of this size.))
- <u>NEW SECTION.</u> **Sec. 3.** (1) The joint transportation committee must conduct a design-build contracting review study to examine the department's implementation and use of design-build contracting under RCW 47.20.785.
- (2) The joint transportation committee must provide a report detailing any recommended changes or improvements that the department of transportation should make to the design-build process in order to maximize cost and schedule efficiencies and ensure that design risk is borne by the appropriate party. The report is due to the transportation committees of the legislature and the governor by December 1, 2016.
- (3) A panel of experts must be appointed to assist with the study. Membership must include: A consultant selected by the joint transportation committee and at least two nationally recognized experts in the field of design-build project delivery proposed by the consultant, a representative from the association of general contractors, a representative from the American council of engineering companies of Washington, a representative of the professional and technical employees local 17, and a representative from the department of transportation. The consultant must lead the review panel and be responsible for the organization and conduct of the panel and reporting on the process, findings, and recommendations of the panel.
 - (4) This section expires June 30, 2017.
- <u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 47.01 RCW to read as follows:
- (1) The department must develop a construction program business plan that incorporates findings of the report required in section 3 of this act and also outlines a sustainable staffing level of state-employed engineering staff, adjusted as necessary by additional sustainable revenue and modeled and optimized to address long-term needs in preservation and improvement programs through multiple biennia.
- (2) The sustainable staffing level recognizes that it is in the state's interest that periodic increases in workload due to increases in construction funding are best addressed through the use of contract engineering resources in conjunction with limited and flexible augmentations to department staffing levels as necessary for project oversight, accountability, and delivery.

- (3) To provide the appropriate management oversight and accountability of the use of contracted services, the plan must also make recommendations on the development of a strong owner strategy that addresses state employee training, career development, and competitive compensation.
- (4) The department must submit the plan to the office of financial management and appropriate committees of the legislature one hundred eighty days after the report in section 3 of this act is completed. The department must submit progress reports on implementation of the plan biennially beginning September 30, 2018, until September 30, 2030. The elements of the plan must include:
- (a) Sustainable staffing levels to address long-term needs in preservation and improvement programs;
 - (b) Employee recruitment, retention, training, and compensation status;
 - (c) Project delivery methods for design and construction; and
 - (d) A comparison of Washington state to national trends and methods.
- (5) To assist in the development of the plan, the department must convene an advisory group to be comprised of the following members:
- (a) One representative of the professional and technical employees local 17 to represent the nonmanagement engineering and technical employees of the department;
- (b) One member of the managerial engineering and technical staff of the department, who must serve as chair of the advisory group;
- (c) One member appointed by the American council of engineering companies of Washington to represent the private design industry; and
- (d) One member appointed by the associated general contractors of Washington to represent the private construction industry.

<u>NEW SECTION.</u> **Sec. 5.** 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.

Passed by the Senate June 28, 2015. Passed by the House June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 19

[Engrossed Second Substitute House Bill 1095] THERMAL ENERGY EFFICIENCY

AN ACT Relating to promoting thermal energy efficiency; amending RCW 39.35.010, 39.35.020, 39.35.040, 19.280.030, 19.280.060, and 80.04.550; reenacting and amending RCW 39.35.030 and 19.280.020; adding new sections to chapter 19.280 RCW; adding new sections to chapter 70.94 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** The legislature finds that it is in the public interest to encourage and foster the development of a thermal standard and to encourage combined heat and power (cogeneration) systems throughout the state. Combined heat and power systems can help the state achieve energy independence and comply with new federal electric energy emission efficiency

standards by generating both electric power and useful thermal energy from a single fuel source, thereby increasing energy efficiency and decreasing grid-based emissions. It is the intent of the legislature to promote the deployment of combined heat and power by requiring consideration of combined heat and power systems in the construction of new critical governmental facilities, incorporating reports on combined heat and power facilities in integrated resource plans, and streamlining the process by which combined heat and power facilities obtain permits.

Sec. 2. RCW 39.35.010 and 2001 c 214 s 15 are each amended to read as follows:

The legislature hereby finds:

- (1) That major publicly owned or leased facilities have a significant impact on our state's consumption of energy;
- (2) That energy conservation practices including energy management systems, combined heat and power systems, and renewable energy systems adopted for the design, construction, and utilization of such facilities will have a beneficial effect on our overall supply of energy;
- (3) That the beneficial effect of the electric output from combined heat and power systems includes both energy and capacity value;
- (4) That the cost of the energy consumed by such facilities over the life of the facilities shall be considered in addition to the initial cost of constructing such facilities;
- (((4))) (5) That the cost of energy is significant and major facility designs shall be based on the total life-cycle cost, including the initial construction cost, and the cost, over the economic life of a major facility, of the energy consumed, and of the operation and maintenance of a major facility as they affect energy consumption; and
- (((5))) (<u>6)</u> That the use of energy systems in these facilities which utilize <u>combined heat and power or</u> renewable resources such as solar energy, wood or wood waste, or other nonconventional fuels, and which incorporate energy management systems, shall be considered in the design of all publicly owned or leased facilities.
- Sec. 3. RCW 39.35.020 and 1982 c 159 s 2 are each amended to read as follows:

The legislature declares that it is the public policy of this state to ((insure)) ensure that energy conservation practices and renewable energy systems are employed in the design of major publicly owned or leased facilities and that the use of at least one renewable energy or combined heat and power system is considered. To this end the legislature authorizes and directs that public agencies analyze the cost of energy consumption of each major facility and each critical governmental facility to be planned and constructed or renovated after September 8, 1975.

Sec. 4. RCW 39.35.030 and 2011 1st sp.s. c 43 s 247 are each reenacted and amended to read as follows:

For the purposes of this chapter the following words and phrases shall have the following meanings unless the context clearly requires otherwise:

(1) (("Cogeneration")) "Combined heat and power" means the sequential generation of ((two or more forms of energy from a common fuel or energy

source. Where these forms are electricity and thermal energy, then the operating and efficiency standards established by 18 C.F.R. Sec. 292.205 and the definitions established by 18 C.F.R. 292.202 (e) through (m) as of July 28, 1991, shall apply)) electricity and useful thermal energy from a common fuel source where, under normal operating conditions, the facility has a useful thermal energy output of no less than thirty-three percent of the total energy output.

- (2) "Critical governmental facility" means a building or district energy system owned by the state or a political subdivision of the state that is expected to:
 - (a) Be continuously occupied:
 - (b) Maintain operations for at least six thousand hours each year;
 - (c) Have a peak electricity demand exceeding five hundred kilowatts; and
- (d) Serve a critical public health or public safety function during a natural disaster or other emergency situation that may result in a widespread power outage, including a:
 - (i) Command and control center:
 - (ii) Shelter;
 - (iii) Prison or jail;
 - (iv) Police or fire station;
 - (v) Communications or data center:
 - (vi) Water or wastewater treatment facility:
 - (vii) Hazardous waste storage facility;
 - (viii) Biological research facility;
 - (ix) Hospital; or
 - (x) Food preparation or food storage facility.
 - (3) "Department" means the state department of enterprise services.
- (((3))) (4) "Design standards" means the heating, air-conditioning, ventilating, and renewable resource systems identified, analyzed, and recommended by the department as providing an efficient energy system or systems based on the economic life of the selected buildings.
- (((4))) (5) "Economic life" means the projected or anticipated useful life of a major facility as expressed by a term of years.
- (((5))) (6) "Energy management system" means a program, energy efficiency equipment, technology, device, or other measure including, but not limited to, a management, educational, or promotional program, smart appliance, meter reading system that provides energy information capability, computer software or hardware, communications equipment or hardware, thermostat or other control equipment, together with related administrative or operational programs, that allows identification and management of opportunities for improvement in the efficiency of energy use, including but not limited to a measure that allows:
- (a) Energy consumers to obtain information about their energy usage and the cost of energy in connection with their usage;
- (b) Interactive communication between energy consumers and their energy suppliers;
- (c) Energy consumers to respond to energy price signals and to manage their purchase and use of energy; or
 - (d) For other kinds of dynamic, demand-side energy management.

- (((6))) (7) "Energy systems" means all utilities, including, but not limited to, heating, air-conditioning, ventilating, lighting, and the supplying of domestic hot water
- ((((7))) (<u>8)</u> "Energy-consumption analysis" means the evaluation of all energy systems and components by demand and type of energy including the internal energy load imposed on a major facility or a critical governmental facility by its occupants, equipment, and components, and the external energy load imposed on a major facility or a critical governmental facility by the climatic conditions of its location. An energy-consumption analysis of the operation of energy systems of a major facility or a critical governmental facility shall include, but not be limited to, the following elements:
- (a) The comparison of three or more system alternatives, at least one of which shall include renewable energy systems, and one of which shall comply at a minimum with the sustainable design guidelines of the United States green building council leadership in energy and environmental design silver standard or similar design standard as may be adopted by rule by the department;
- (b) The simulation of each system over the entire range of operation of such facility for a year's operating period; ((and))
- (c) The evaluation of the energy consumption of component equipment in each system considering the operation of such components at other than full or rated outputs:
- (d) The identification and analysis of critical loads for each energy system; and
- (e) For a critical governmental facility, a combined heat and power system feasibility assessment, including but not limited to an evaluation of: (i) Whether equipping the facility with a combined heat and power system would result in expected energy savings in excess of the expected costs of purchasing, operating, and maintaining the system over a fifteen-year period; and (ii) the cost of integrating the variability of combined heat and power resources.

The energy-consumption analysis shall be prepared by a professional engineer or licensed architect who may use computers or such other methods as are capable of producing predictable results.

- ((8))) (9) "Initial cost" means the moneys required for the capital construction or renovation of a major facility.
- (((9))) (10) "Life-cycle cost" means the initial cost and cost of operation of a major facility or a critical governmental facility over its economic life. This shall be calculated as the initial cost plus the operation, maintenance, and energy costs over its economic life, reflecting anticipated increases in these costs discounted to present value at the current rate for borrowing public funds, as determined by the office of financial management. The energy cost projections used shall be those provided by the department. The department shall update these projections at least every two years.
- (((10))) (11) "Life-cycle cost analysis" includes, but is not limited to, the following elements:
- (a) The coordination and positioning of a major facility or a critical governmental facility on its physical site;
- (b) The amount and type of fenestration employed in a major facility or a critical governmental facility;

- (c) The amount of insulation incorporated into the design of a major facility or a critical governmental facility;
- (d) The variable occupancy and operating conditions of a major facility <u>or a critical governmental facility</u>; and
- (e) An energy-consumption analysis of a major facility or a critical governmental facility.
- (((11))) (<u>12</u>) "Major facility" means any publicly owned or leased building having twenty-five thousand square feet or more of usable floor space.
- $(((\frac{12}{})))$ (13) "Public agency" means every state office, officer, board, commission, committee, bureau, department, and all political subdivisions of the state.
- (((13))) (14) "Renewable energy systems" means methods of facility design and construction and types of equipment for the utilization of renewable energy sources including, but not limited to, hydroelectric power, active or passive solar space heating or cooling, domestic solar water heating, windmills, waste heat, biomass and/or refuse-derived fuels, photovoltaic devices, and geothermal energy.
- (((14))) (15) "Renovation" means additions, alterations, or repairs within any twelve-month period which exceed fifty percent of the value of a major facility or a critical governmental facility and which will affect any energy system.
- (((15))) (16) "Selected buildings" means educational, office, residential care, and correctional facilities that are designed to comply with the design standards analyzed and recommended by the department.
- Sec. 5. RCW 39.35.040 and 1994 c 242 s 2 are each amended to read as follows:

Whenever a public agency determines that any major facility <u>or a critical governmental facility</u> is to be constructed or renovated, such agency shall cause to be included in the design phase of such construction or renovation a provision that requires a life-cycle cost analysis conforming with the guidelines developed in RCW 39.35.050 to be prepared for such facility. Such analysis shall be approved by the agency prior to the commencement of actual construction or renovation. A public agency may accept the facility design if the agency is satisfied that the life-cycle cost analysis provides for an efficient energy system or systems based on the economic life of the ((major)) facility.

Nothing in this section prohibits the construction or renovation of major facilities ((which)) or critical governmental facilities that utilize renewable energy or combined heat and power systems.

<u>NEW SECTION.</u> **Sec. 6.** A new section is added to chapter 19.280 RCW to read as follows:

- (1) The legislature finds that combined heat and power systems provide both energy and capacity resources. Failure to assess the electric output of combined heat and power systems as both an energy and a capacity resource may result in a failure to account for the total benefits of that output in its posted price.
- (2) Electric utilities with over twentyfive thousand customers in the state of Washington must value, pursuant to RCW 19.280.030, combined heat and power as having both energy and capacity value by December 31, 2016, for the

purposes of setting the value of power under the federal public utility regulatory policies act, establishing rates for power purchase agreements, and integrated resource planning only if an assessment of combined heat and power identifies opportunities for combined heat and power that are dispatchable and that may provide capacity value.

<u>NEW SECTION.</u> **Sec. 7.** A new section is added to chapter 19.280 RCW to read as follows:

- (1) The legislature finds that power purchase agreements of a minimum of fifteen years for the electric output of combined heat and power systems may be advantageous to both electric utilities and the owners or operators of combined heat and power systems.
- (2) Electric utilities with over twenty-five thousand customers in the state of Washington are encouraged to offer a minimum term of fifteen years for new power purchase agreements for the electric output of combined heat and power systems beginning December 31, 2016.
- (3) The commission may authorize recovery of the actual cost of fuel incurred by an electrical company under a power purchase agreement for the electric output of a combined heat and power system.
- (4) The governing body of a consumer-owned utility that offers a fifteenyear minimum term for a power purchase agreement for the electric output of a combined heat and power system may, every five years after signing the agreement, initiate a fuel cost adjustment process in order to recover the actual cost of fuel incurred by the consumer-owned utility under a power purchase agreement under this section.
- **Sec. 8.** RCW 19.280.020 and 2013 c 149 s 2 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Commission" means the utilities and transportation commission.
- (2) "Conservation and efficiency resources" means any reduction in electric power consumption that results from increases in the efficiency of energy use, production, transmission, or distribution.
- (3) "Consumerowned utility" includes a municipal electric utility formed under Title 35 RCW, a public utility district formed under Title 54 RCW, an irrigation district formed under chapter 87.03 RCW, a cooperative formed under chapter 23.86 RCW, a mutual corporation or association formed under chapter 24.06 RCW, a port district formed under Title 53 RCW, or a watersewer district formed under Title 57 RCW, that is engaged in the business of distributing electricity to one or more retail electric customers in the state.
 - (4) "Department" means the department of commerce.
 - (5) "Electric utility" means a consumerowned or investorowned utility.
- (6) "Full requirements customer" means an electric utility that relies on the Bonneville power administration for all power needed to supply its total load requirement other than that served by nondispatchable generating resources totaling no more than six megawatts or renewable resources.
- (7) "Governing body" means the elected board of directors, city council, commissioners, or board of any consumerowned utility.

- (8) (("High efficiency cogeneration")) "Combined heat and power" means the sequential production of electricity and useful thermal energy from a common fuel source((5)) where, under normal operating conditions, the facility has a useful thermal energy output of no less than thirty-three percent of the total energy output.
- (9) "Integrated resource plan" means an analysis describing the mix of generating resources, conservation, methods, technologies, and resources to integrate renewable resources and, where applicable, address overgeneration events, and efficiency resources that will meet current and projected needs at the lowest reasonable cost to the utility and its ratepayers and that complies with the requirements specified in RCW 19.280.030(1).
- (10) "Investorowned utility" means a corporation owned by investors that meets the definition in RCW 80.04.010 and is engaged in distributing electricity to more than one retail electric customer in the state.
- (11) "Lowest reasonable cost" means the lowest cost mix of generating resources and conservation and efficiency resources determined through a detailed and consistent analysis of a wide range of commercially available resources. At a minimum, this analysis must consider resource cost, market-volatility risks, demand-side resource uncertainties, resource dispatchability, resource effect on system operation, the risks imposed on the utility and its ratepayers, public policies regarding resource preference adopted by Washington state or the federal government, and the cost of risks associated with environmental effects including emissions of carbon dioxide.
- (12) "Overgeneration event" means an event within an operating period of a balancing authority when the electricity supply, including generation from intermittent renewable resources, exceeds the demand for electricity for that utility's energy delivery obligations and when there is a negatively priced regional market.
 - (13) "Plan" means either an "integrated resource plan" or a "resource plan."
- (14) "Renewable resources" means electricity generation facilities fueled by: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) landfill gas; (f) biomass energy utilizing animal waste, solid or liquid organic fuels from wood, forest, or field residues or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copperchromearsenic; (g) by-products of pulping or wood manufacturing processes, including but not limited to bark, wood chips, sawdust, and lignin in spent pulping liquors; (h) ocean thermal, wave, or tidal power; or (i) gas from sewage treatment facilities.
- (15) "Resource plan" means an assessment that estimates electricity loads and resources over a defined period of time and complies with the requirements in RCW 19.280.030(2).
- Sec. 9. RCW 19.280.030 and 2013 c 149 s 3 are each amended to read as follows:

Each electric utility must develop a plan consistent with this section.

(1) Utilities with more than twenty-five thousand customers that are not full requirements customers shall develop or update an integrated resource plan by September 1, 2008. At a minimum, progress reports reflecting changing conditions and the progress of the integrated resource plan must be produced every two years thereafter. An updated integrated resource plan must be

developed at least every four years subsequent to the 2008 integrated resource plan. The integrated resource plan, at a minimum, must include:

- (a) A range of forecasts, for at least the next ten years or longer, of projected customer demand which takes into account econometric data and customer usage;
- (b) An assessment of commercially available conservation and efficiency resources. Such assessment may include, as appropriate, ((high efficiency eogeneration)) opportunities for development of combined heat and power as an energy and capacity resource, demand response and load management programs, and currently employed and new policies and programs needed to obtain the conservation and efficiency resources;
- (c) An assessment of commercially available, utility scale renewable and nonrenewable generating technologies including a comparison of the benefits and risks of purchasing power or building new resources;
- (d) A comparative evaluation of renewable and nonrenewable generating resources, including transmission and distribution delivery costs, and conservation and efficiency resources using "lowest reasonable cost" as a criterion;
- (e) An assessment of methods, commercially available technologies, or facilities for integrating renewable resources, and addressing overgeneration events, if applicable to the utility's resource portfolio;
- (f) The integration of the demand forecasts and resource evaluations into a longrange assessment describing the mix of supply side generating resources and conservation and efficiency resources that will meet current and projected needs, including mitigating overgeneration events, at the lowest reasonable cost and risk to the utility and its ratepayers; and
- (g) A shortterm plan identifying the specific actions to be taken by the utility consistent with the longrange integrated resource plan.
- (2) All other utilities may elect to develop a full integrated resource plan as set forth in subsection (1) of this section or, at a minimum, shall develop a resource plan that:
 - (a) Estimates loads for the next five and ten years;
- (b) Enumerates the resources that will be maintained and/or acquired to serve those loads; and
- (c) Explains why the resources in (b) of this subsection were chosen and, if the resources chosen are not: (i) Renewable resources; (ii) methods, commercially available technologies, or facilities for integrating renewable resources, including addressing any overgeneration event; or (iii) conservation and efficiency resources, why such a decision was made.
- (3) Assessments for demand side resources included in an integrated resource plan may include combined heat and power systems as one of the measures in a conservation supply curve. The value of recoverable waste heat resulting from combined heat and power must be reflected in analyses of cost-effectiveness under this subsection.
- (4) An electric utility that is required to develop a resource plan under this section must complete its initial plan by September 1, 2008.
- $((\frac{4}{2}))$ (5) Resource plans developed under this section must be updated on a regular basis, at a minimum on intervals of two years.

- (((5))) (6) Plans shall not be a basis to bring legal action against electric utilities.
- $((\frac{(6)}{0}))$ (7) Each electric utility shall publish its final plan either as part of an annual report or as a separate document available to the public. The report may be in an electronic form.
- **Sec. 10.** RCW 19.280.060 and 2013 c 149 s 4 are each amended to read as follows:

The department shall review the plans of consumerowned utilities and investor-owned utilities, and data available from other state, regional, and national sources, and prepare an electronic report to the legislature aggregating the data and assessing the overall adequacy of Washington's electricity supply. The report shall include a statewide summary of utility load forecasts, load/resource balance, and utility plans for the development of thermal generation, renewable resources, conservation and efficiency resources, and an examination of assessment methods used by utilities to address overgeneration events. The commission shall provide the department with data summarizing the plans of investorowned utilities for use in the department's statewide summary. The department shall submit any reports it receives of existing and potential combined heat and power facilities as reported by utilities to the Washington State University extension energy program for analysis. The department may submit its report within the biennial report required under RCW 43.21F.045.

<u>NEW SECTION.</u> **Sec. 11.** A new section is added to chapter 19.280 RCW to read as follows:

The Washington State University extension energy program may electronically submit an annual report to the appropriate legislative committees on the planned and completed combined heat and power facilities in the state, including but not limited to the following information: Number, size, and customer base of combined heat and power installations in the state; projects that have been publicly considered but have not been developed; and recommendations to further attain the goal of improving thermal energy efficiency.

- **Sec. 12.** RCW 80.04.550 and 1996 c 33 s 2 are each amended to read as follows:
- (1) It is the intent of the legislature to exempt from commission regulation thermal energy services provided by thermal energy companies and combined heat and power facilities that are not otherwise regulated under this title. Nothing in this section shall prevent the commission from issuing or enforcing any order affecting combined heat and power facilities owned or operated by an electrical company that are subsidized by a regulated service.
- (2) Nothing in this title shall authorize the commission to make or enforce any order affecting rates, tolls, rentals, contracts or charges for service rendered, or the adequacy or sufficiency of the facilities, equipment, instrumentalities, or buildings, or the reasonableness of rules or regulations made, furnished, used, supplied, or in force affecting any ((district)) thermal energy system owned and operated by any thermal energy company or by a combined heat and power facility engaged in thermal energy services.
 - $((\frac{2}{2}))$ (3) For the purposes of this section:

- (a) "Thermal energy company" means any private person, company, association, partnership, joint venture, or corporation engaged in or proposing to engage in developing, producing, transmitting, distributing, delivering, furnishing, or selling to or for the public thermal energy services for any beneficial use other than electricity generation;
- (b) "((District)) Thermal energy system" means any system that provides thermal energy for space heating, space cooling, or process uses from a central plant or combined heat and power facility, and that distributes the thermal energy to two or more buildings through a network of pipes;
- (c) "Thermal energy" means heat or cold in the form of steam, heated or chilled water, or any other heated or chilled fluid or gaseous medium; and
- (d) "Thermal energy services" means the provision of thermal energy from a ((district)) thermal energy system and includes such ancillary services as energy audits, metering, billing, maintenance, and repairs related to thermal energy.

<u>NEW SECTION.</u> **Sec. 13.** A new section is added to chapter 70.94 RCW to read as follows:

- (1) It is the intent of the legislature for a general permit or permit by rule adopted by the department under this section to streamline the permitting process for a stationary natural gas engine used in a combined heat and power system. It is the further intent of the legislature that a general permit or permit by rule be adopted and implemented as the permitting mechanism for the new construction of a combined heat and power system.
- (2) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
- (a) "Natural gas" includes: Naturally occurring mixtures of hydrocarbon gases and vapors consisting principally of methane, whether in gaseous or liquid form; and biogas derived from landfills, wastewater treatment facilities, anaerobic digesters, and other sources of organic decomposition that have been purified to meet standards for natural gas derived from fossil fuel sources.
- (b) "Stationary natural gas engine" includes any stationary, natural gas internal combustion engine, whether it is an internal combustion reciprocating engine or a gas turbine. The term does not include a natural gas engine that powers a motor vehicle or other mobile source.
- (3) This section applies only to a stationary natural gas engine used in a combined heat and power system.
- (4) The department shall issue a general permit or permit by rule for new stationary natural gas engines used in a combined heat and power system that establishes emission limits for air contaminants released by the engines.
- (5) In adopting a general permit or permit by rule under this section, the department may consider:
- (a) The geographic location in which a stationary natural gas engine may be used, including the proximity to an area designated as a nonattainment area;
 - (b) The total annual operating hours of a stationary natural gas engine;
 - (c) The technology used by a stationary natural gas engine;
- (d) Whether the stationary natural gas engine will be a major stationary source or part of a new or modified major stationary source as those terms are utilized in Title I of the federal clean air act; and
 - (e) Other relevant emission control or clean air policies of the state.

(6) In addition to emission limits required by federal and state laws, the department must provide for the emission limits for stationary natural gas engines subject to this section to be measured in terms of air contaminant emissions per United States environmental protection agency unit of energy output. The department shall consider both the primary and secondary functions when determining the engine's emissions per unit of energy output.

<u>NEW SECTION.</u> **Sec. 14.** A new section is added to chapter 70.94 RCW to read as follows:

- (1) An owner or operator of an industrial, commercial, or institutional boiler or process heater required to complete an energy assessment under 40 C.F.R. Part 63 subpart DDDDD shall:
- (a) By January 31, 2018, submit nonproprietary information reported in the energy assessment electronically to the department or air pollution control authority that issues the air operating permit for the source, following completion of the assessment; and
- (b) By January 31, 2018, submit a report electronically to the Washington State University extension energy program that identifies, if applicable, the economic, technical, and other barriers to implementing thermal efficiency opportunities identified in the energy assessment.
- (2) An owner or operator of an industrial, commercial, or institutional boiler or process heater who has not completed an energy assessment under 40 C.F.R. Part 63 subpart DDDDD must request a free combined heat and power site qualification screening from the United States department of energy.
- (3) The requirements established in this section shall not apply to an owner or operator of an industrial, commercial, or institutional boiler or process heater if:
- (a) The owner or operator is not required to complete an energy assessment under 40 C.F.R. Part 63 subpart DDDDD as it existed on the effective date of this section; or
- (b) Prior to the dates in subsection (1) of this section, the owner or operator is no longer required to complete an energy assessment under 40 C.F.R. Part 63 subpart DDDDD.

Passed by the House June 28, 2015.
Passed by the Senate June 30, 2015.
Approved by the Governor July 6, 2015.
Filed in Office of Secretary of State July 7, 2015.

CHAPTER 20

[Substitute House Bill 1897]

HIGHER EDUCATION--EARTH--ABUNDANT TECHNOLOGIES RESEARCH

AN ACT Relating to the joint center for deployment and research in earth-abundant materials; amending RCW 42.52.150; and adding a new chapter to Title 28B RCW.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** The legislature finds that to reach our energy, environmental, and economic goals, it is important to accelerate the development of next generation clean energy and transportation technologies in Washington. Today, a large number of clean and renewable energy technologies

are dependent on rare earth elements and other expensive and difficult-to-source earth components. These technologies are critical to reducing carbon emissions, such as wind turbines, solar panels, and electric and hybrid car batteries.

According to a 2012 environmental protection agency report (EPA/600/R-12/572), no rare earth element mining has been conducted in the United States since 1995, and a legacy of environmental destruction has been left in countries where rare earth elements are mined. The same environmental protection agency report notes that recovering rare earth elements from state-of-the-art recycling processes is far more efficient than smelting metals from ores, generates only a fraction of the carbon emissions, and has significant benefits compared to mining in terms of land use and hazardous emissions. The environmental protection report stresses the need for additional research in alternative materials to rare earth materials as well as recycling innovation.

The legislature acknowledges that the people of Washington desire to leave behind a cleaner planet, and to lead the world in the research and innovations to make that possible. Setting aggressive, renewable energy and clean technology standards at home that result in exporting the environmental harms of improper mineral extraction to other nations is not an acceptable strategy. Fortunately, Washington is home to some of the world's leading researchers who have core competencies in developing material substitutes and extracting rare earth elements for recycling.

Leading research institutions have indicated that a program to accelerate the development of next generation clean energy and transportation technologies using earth-abundant materials would fit within their strategic vision and core mission to increase and coordinate their efforts with the private industry and implement this talent and research to work in accelerating the deployment of clean energy and cleaner transportation solutions. The goal is to develop materials to use in the manufacturing process that can be reliably accessed and acquired in environmentally responsible processes. A joint center established for this purpose can bridge the gap between institutions, encourage private-public partnerships, and increase the ability to compete for federal grants.

The legislature recognizes the opportunity for Washington to lead in these areas of research and innovation, fostering true sustainability environmental stewardship, and providing supply reliability and resiliency in next generation technologies. Doing so will contribute to the preservation of national security by increasing energy independence. Therefore, the legislature intends to fund research of earth-abundant materials that can substitute effectively in manufacturing for rare earth elements or other critical materials, with great potential to increase efficiency or reduce emissions in the transportation or energy sector, and to fund research into the recycling of rare earth elements from existing consumer products. The legislature intends to accomplish this by establishing the joint center for deployment and research in earth abundant materials, or JCDREAM, to attract academic talent and research funding to our state, and develop a workforce for manufacturing next generation earth-abundant technologies.

<u>NEW SECTION.</u> **Sec. 2.** The joint center for deployment and research in earth-abundant materials is created to:

- (1) Establish a transformative program in earth-abundant materials to accelerate the development of next generation clean energy and transportation technologies in Washington;
- (2) Establish a coordinated framework and deploy resources that can facilitate and promote multi-institution collaborations to drive research, development, and deployment efforts in the use of earth-abundant materials for manufactured clean technologies or recycling of advanced materials used in clean technologies; and
- (3) Promote environmentally responsible processes in the areas of manufacturing and recycling of advanced materials used in clean technologies.

<u>NEW SECTION.</u> **Sec. 3.** The joint center for deployment and research in earth-abundant materials must 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 industry needs, the facilities and resources of the center must be made available to all four-year institutions of higher education. Resources include internships, on-the-job training, and research opportunities for undergraduate and graduate students and faculty.

<u>NEW SECTION.</u> **Sec. 4.** (1)(a) The powers of the joint center for deployment and research in earth-abundant materials are vested in and shall be exercised by a board of directors consisting of ten voting members and a chair, appointed by the governor, who shall not vote, except as provided in (c) of this subsection.

- (b) Of the ten voting members, one member must be the dean of Washington State University, one member must be the dean of the University of Washington, one member must represent Pacific Northwest National Laboratory, one member must represent an energy institute at a regional university, one member must represent the community colleges engaged in training of the next generation workforce in the relevant areas, one member must represent large industry companies, one member must represent small industry companies, one member must have professional experience in the fields of national security and energy policy, and one member shall have professional experience in innovation and development of policy to address environmental challenges.
- (c) In the event of a tie vote among the voting members, the chair may vote to break the tie
 - (d) The terms of the initial members must be staggered.
- (2) The board shall hire an executive director. The executive director shall hire such staff as the board deems necessary to operate the joint center for deployment and research in earth-abundant materials. 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.
 - (3) The board shall:

- (a) Work with the clean technology and transportation industry associations and firms of all sizes to identify the research areas that will benefit the intermediate and long-term economic vitality of Washington's clean technology and transportation industries;
- (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 and retain such researchers;
- (c) Assist firms to integrate existing technologies into their operations and align the activities of the joint center for deployment and research in earth-abundant materials with those of impact Washington to enhance services available to clean technology and transportation firms;
- (d) Develop internships, on-the-job training, research, and other opportunities and ensure that all undergraduate and graduate students enrolled in programs for clean technology and earth-abundant research and deployment-related curriculum have direct experience with the industry;
- (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 at least one annual symposium focusing on clean energy earth-abundant research and deployment 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) Allocate appropriated seed funds for at least one of the following purposes:
- (i) Collaboration on research and product development that would further the commercialization of renewable energy and battery storage technologies that use earth-abundant materials in place of critical materials or rare earth elements;
- (ii) Collaboration on research for joining dissimilar materials in a way that minimizes titanium content by employing earth-abundant materials for advanced manufacturing commercialization;
- (iii) Collaboration on research and deployment of technologies and processes that facilitate reclamation and recycling of rare-earth elements from existing products; and
- (iv) Providing assistance to community colleges and trade schools in program development and equipment for training the skilled workforce necessary for the successful commercialization and integration of earth-abundant technologies, as the workforce training needs are defined by forthcoming deployment opportunities;

- (l)(i) By December 1, 2015, 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 (3);
- (ii) The operating plan must also include appropriate performance metrics to measure total research dollars leveraged, total researchers involved, total workforce trained, and total number of products or processes that have progressed to commercialization and private sector deployment; and
- (m)(i) Report biennially to the legislature and the governor about the impact of the center's work on the state's economy and the development of next generation clean energy and transportation technologies in Washington using earth-abundant materials. The report must include performance metrics results, projections of future impact, indicators of its current impact, and ideas for enhancing benefits to the state.
- (ii) The report must be coordinated with the governor's office and the department of commerce.

<u>NEW SECTION.</u> **Sec. 5.** The joint center for deployment and research in earth-abundant materials may solicit and receive gifts, grants, donations, sponsorships, or contributions from any federal, state, or local governmental agency or program or any private source and expend the same for any purpose consistent with this chapter. Members and employees associated with the joint center for deployment and research in earth-abundant materials are presumed not to be in violation of solicitation and receipt of gift provisions in RCW 42.52.150.

<u>NEW SECTION.</u> **Sec. 6.** This chapter may be known and cited as the JCDREAM act.

- Sec. 7. RCW 42.52.150 and 2011 c 60 s 29 are each amended to read as follows:
- (1) No state officer or state employee may accept gifts, other than those specified in subsections (2) and (5) of this section, with an aggregate value in excess of fifty dollars from a single source in a calendar year or a single gift from multiple sources with a value in excess of fifty dollars. For purposes of this section, "single source" means any person, as defined in RCW 42.52.010, whether acting directly or through any agent or other intermediary, and "single gift" includes any event, item, or group of items used in conjunction with each other or any trip including transportation, lodging, and attendant costs, not excluded from the definition of gift under RCW 42.52.010. The value of gifts given to an officer's or employee's family member or guest shall be attributed to the official or employee for the purpose of determining whether the limit has been exceeded, unless an independent business, family, or social relationship exists between the donor and the family member or guest.
- (2) Except as provided in subsection (4) of this section, the following items are presumed not to influence under RCW 42.52.140, and may be accepted without regard to the limit established by subsection (1) of this section:
 - (a) Unsolicited flowers, plants, and floral arrangements;
- (b) Unsolicited advertising or promotional items of nominal value, such as pens and note pads;
- (c) Unsolicited tokens or awards of appreciation in the form of a plaque, trophy, desk item, wall memento, or similar item;

- (d) Unsolicited items received by a state officer or state employee for the purpose of evaluation or review, if the officer or employee has no personal beneficial interest in the eventual use or acquisition of the item by the officer's or employee's agency;
- (e) Informational material, publications, or subscriptions related to the recipient's performance of official duties;
- (f) Food and beverages consumed at hosted receptions where attendance is related to the state officer's or state employee's official duties;
- (g) Gifts, grants, conveyances, bequests, and devises of real or personal property, or both, in trust or otherwise accepted and solicited for deposit in the legislative international trade account created in RCW 43.15.050;
- (h) Gifts, grants, conveyances, bequests, and devises of real or personal property, or both, in trust or otherwise accepted and solicited for the purpose of promoting the expansion of tourism as provided for in RCW 43.330.090;
- (i) Gifts, grants, conveyances, bequests, and devises of real or personal property, or both, solicited on behalf of a national legislative association, 2006 official conference of the national lieutenant governors' association, or host committee for the purpose of hosting an official conference under the circumstances specified in RCW 42.52.820 and section 2, chapter 5, Laws of 2006. Anything solicited or accepted may only be received by the national association or host committee and may not be commingled with any funds or accounts that are the property of any person;
- (j) Admission to, and the cost of food and beverages consumed at, events sponsored by or in conjunction with a civic, charitable, governmental, or community organization; ((and))
- (k) Unsolicited gifts from dignitaries from another state or a foreign country that are intended to be personal in nature; and
- (1) Gifts, grants, donations, sponsorships, or contributions from any agency or federal or local government agency or program or private source for the purposes of chapter 28B.--- RCW (the new chapter created in section 8 of this act).
- (3) The presumption in subsection (2) of this section is rebuttable and may be overcome based on the circumstances surrounding the giving and acceptance of the item.
- (4) Notwithstanding subsections (2) and (5) of this section, a state officer or state employee of a regulatory agency or of an agency that seeks to acquire goods or services who participates in those regulatory or contractual matters may receive, accept, take, or seek, directly or indirectly, only the following items from a person regulated by the agency or from a person who seeks to provide goods or services to the agency:
- (a) Unsolicited advertising or promotional items of nominal value, such as pens and note pads;
- (b) Unsolicited tokens or awards of appreciation in the form of a plaque, trophy, desk item, wall memento, or similar item;
- (c) Unsolicited items received by a state officer or state employee for the purpose of evaluation or review, if the officer or employee has no personal beneficial interest in the eventual use or acquisition of the item by the officer's or employee's agency;

- (d) Informational material, publications, or subscriptions related to the recipient's performance of official duties;
- (e) Food and beverages consumed at hosted receptions where attendance is related to the state officer's or state employee's official duties;
- (f) Admission to, and the cost of food and beverages consumed at, events sponsored by or in conjunction with a civic, charitable, governmental, or community organization; and
- (g) Those items excluded from the definition of gift in RCW 42.52.010 except:
- (i) Payments by a governmental or nongovernmental entity of reasonable expenses incurred in connection with a speech, presentation, appearance, or trade mission made in an official capacity;
- (ii) Payments for seminars and educational programs sponsored by a bona fide governmental or nonprofit professional, educational, trade, or charitable association or institution; and
 - (iii) Flowers, plants, and floral arrangements.
- (5) A state officer or state employee may accept gifts in the form of food and beverage on infrequent occasions in the ordinary course of meals where attendance by the officer or employee is related to the performance of official duties. Gifts in the form of food and beverage that exceed fifty dollars on a single occasion shall be reported as provided in chapter 42.17A RCW.

<u>NEW SECTION.</u> **Sec. 8.** Sections 1 through 6 of this act constitute a new chapter in Title 28B RCW.

<u>NEW SECTION.</u> **Sec. 9.** 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.

Passed by the House June 28, 2015.

Passed by the Senate June 30, 2015. Approved by the Governor July 6, 2015.

Filed in Office of Secretary of State July 7, 2015.

CHAPTER 21

[House Bill 2264]

ELECTRIC UTILITIES--CUSTOMER INFORMATION--PRIVACY POLICY

AN ACT Relating to amending the statewide minimum privacy policy for disclosure of customer energy use information; and amending RCW 19.29A.---.

Be it enacted by the Legislature of the State of Washington:

- Sec. 1. RCW 19.29A.--- and 2015 c 285 s 3 are each amended to read as follows:
- (1) An electric utility may not sell private or proprietary customer information.
- (2) An electric utility may not disclose private or proprietary customer information with or to its affiliates, subsidiaries, or any other third party for the purposes of marketing services or product offerings to a retail electric customer who does not already subscribe to that service or product, unless the utility has first obtained the customer's written or electronic permission to do so.
 - (3) The utility must:

- (a) Obtain a retail electric customer's prior permission for each instance of disclosure of his or her private or proprietary customer information to an affiliate, subsidiary, or other third party for purposes of marketing services or products that the customer does not already subscribe to; and
- (b) Maintain a record for each instance of permission for disclosing a retail electric customer's private or proprietary customer information.
- (4) An electric utility must retain the following information for each instance of a retail electric customer's consent for disclosure of his or her private or proprietary customer information if provided electronically:
- (a) The confirmation of consent for the disclosure of private customer information;
- (b) A list of the date of the consent and the affiliates, subsidiaries, or third parties to which the customer has authorized disclosure of his or her private or proprietary customer information; and
- (c) A confirmation that the name, service address, and account number exactly matches the utility record for such account.
- (5)(a) This section does not require customer permission for or prevent disclosure of private or proprietary customer information by an electric utility to a third party with which the utility has a contract where such contract is directly related to conduct of the utility's business, provided that the contract prohibits the third party from further disclosing or selling any private or proprietary customer information obtained from the utility to a party that is not the utility and not a party to the contract with the utility.
- (b) The legislature finds that the disclosure or sale of private or proprietary customer information by a third party, when prohibited by a contract under this subsection (5), is a matter vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW, to the third party. Disclosure or sale of private or proprietary customer information by a third party, when prohibited by a contract under this subsection (5), is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.
- (6) This section does not prevent disclosure of the essential terms and conditions of special contracts.
- (7) This section does not prevent the electric utility from inserting any marketing information into the retail electric customer's billing package.
- (8) An electric utility may collect and release retail electric customer information in aggregate form if the aggregated information does not allow any specific customer to be identified.
- (9) ((The legislature finds that the practices covered by this section are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of this section is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.
- (10)) The statewide minimum privacy policy established in subsections (1) through (8) of this section must, in the case of an investor-owned utility, be enforced by the commission by rule or order.

(10) The statewide minimum privacy policy established in subsections (1) through (8) of this section must, in the case of a consumer-owned utility, be implemented by the utility through a policy adopted by the governing board within one year of the effective date of this section that includes provisions ensuring compliance with subsections (1) through (8) of this section. The policy must include procedures, consistent with applicable law, for investigation and resolution of complaints by a retail electric customer whose private or proprietary information may have been sold by the consumer-owned utility or disclosed by the utility for the purposes of marketing services or product offerings in violation of this section.

Passed by the House June 28, 2015. Passed by the Senate June 29, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 22

[Engrossed House Bill 2212]

CERTIFICATE OF NEED REQUIREMENTS--EXEMPTIONS--PSYCHIATRIC BEDS

AN ACT Relating to exempting hospitals licensed under chapter 70.41 RCW that receive capital funds to operate new psychiatric services from certain certificate of need requirements; adding new sections to chapter 70.38 RCW; creating a new section; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** To accommodate the urgent need for inpatient psychiatric services and to facilitate state compliance with the Washington state supreme court decision, *In re the Detention of D.W.*, No. 90110-4, August 7, 2014, which prohibits the practice of psychiatric boarding, the legislature intends to exempt certain hospital mental health projects provided grant funding by the department of commerce from certificate of need requirements.

<u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 70.38 RCW to read as follows:

- (1) For a grant awarded during fiscal years 2016 and 2017 by the department of commerce under this section, hospitals licensed under chapter 70.41 RCW and psychiatric hospitals licensed under chapter 71.12 RCW are not subject to certificate of need requirements for the addition of the number of new psychiatric beds indicated in the grant. The department of commerce may not make a prior approval of a certificate of need application a condition for a grant application under this section. The period during which an approved hospital project qualifies for a certificate of need exemption under this section is two years from the date of the grant award.
 - (2) This section expires June 30, 2019.

<u>NEW SECTION.</u> **Sec. 3.** A new section is added to chapter 70.38 RCW to read as follows:

New psychiatric beds added under section 2 of this act must remain psychiatric beds unless a certificate of need is granted to change their use or the hospital or psychiatric hospital voluntarily reduces its licensed capacity.

<u>NEW SECTION.</u> **Sec. 4.** 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.

Passed by the House June 30, 2015. Passed by the Senate June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 23

[House Bill 2217]

JUVENILE OFFENDER BASIC TRAINING CAMP PROGRAM

AN ACT Relating to the juvenile offender basic training camp program; and amending RCW 13.40.320.

Be it enacted by the Legislature of the State of Washington:

- **Sec. 1.** RCW 13.40.320 and 2002 c 354 s 234 are each amended to read as follows:
- (1) The department of social and health services ((shall)) <u>may</u> establish a medium security juvenile offender basic training camp program. This program for juvenile offenders serving a term of confinement under the supervision of the department is exempt from the licensing requirements of chapter 74.15 RCW.
- (2) The department may contract under this chapter with private companies, the national guard, or other federal, state, or local agencies to operate the juvenile offender basic training camp.
- (3) The juvenile offender basic training camp shall be a structured and regimented model emphasizing the building up of an offender's self-esteem, confidence, and discipline. The juvenile offender basic training camp program shall provide participants with basic education, prevocational training, work-based learning, work experience, work ethic skills, conflict resolution counseling, substance abuse intervention, anger management counseling, and structured intensive physical training. The juvenile offender basic training camp program shall have a curriculum training and work schedule that incorporates a balanced assignment of these or other rehabilitation and training components for no less than sixteen hours per day, six days a week.

The department shall develop standards for the safe and effective operation of the juvenile offender basic training camp program, for an offender's successful program completion, and for the continued after-care supervision of offenders who have successfully completed the program.

- (4) Offenders eligible for the juvenile offender basic training camp option shall be those with a disposition of not more than sixty-five weeks. Violent and sex offenders shall not be eligible for the juvenile offender basic training camp program.
- (5) If the court determines that the offender is eligible for the juvenile offender basic training camp option, the court may recommend that the department place the offender in the program. The department shall evaluate the offender and may place the offender in the program. The evaluation shall include, at a minimum, a risk assessment developed by the department and designed to determine the offender's suitability for the program. No juvenile who

is assessed as a high risk offender or suffers from any mental or physical problems that could endanger his or her health or drastically affect his or her performance in the program shall be admitted to or retained in the juvenile offender basic training camp program.

- (6) All juvenile offenders eligible for the juvenile offender basic training camp sentencing option shall spend one hundred twenty days of their disposition in a juvenile offender basic training camp. This period may be extended for up to forty days by the secretary if a juvenile offender requires additional time to successfully complete the basic training camp program. If the juvenile offender's activities while in the juvenile offender basic training camp are so disruptive to the juvenile offender basic training camp program, as determined by the secretary according to standards developed by the department, as to result in the removal of the juvenile offender from the juvenile offender basic training camp program, or if the offender cannot complete the juvenile offender basic training camp program due to medical problems, the secretary shall require that the offender be committed to a juvenile institution to serve the entire remainder of his or her disposition, less the amount of time already served in the juvenile offender basic training camp program.
- (7) All offenders who successfully graduate from the juvenile offender basic training camp program shall spend the remainder of their disposition on parole in a juvenile rehabilitation administration intensive aftercare program in the local community. Violation of the conditions of parole is subject to sanctions specified in RCW 13.40.210(4). The program shall provide for the needs of the offender based on his or her progress in the aftercare program as indicated by ongoing assessment of those needs and progress. The intensive aftercare program shall monitor postprogram juvenile offenders and assist them to successfully reintegrate into the community. In addition, the program shall develop a process for closely monitoring and assessing public safety risks. The intensive aftercare program shall be designed and funded by the department of social and health services.
- (8) The department shall also develop and maintain a database to measure recidivism rates specific to this incarceration program. The database shall maintain data on all juvenile offenders who complete the juvenile offender basic training camp program for a period of two years after they have completed the program. The database shall also maintain data on the criminal activity, educational progress, and employment activities of all juvenile offenders who participated in the program.

Passed by the House June 28, 2015. Passed by the Senate June 29, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 24

[Engrossed Substitute House Bill 2263]
CULTURAL ORGANIZATIONS--LOCAL GOVERNMENTS

AN ACT Relating to providing local governments with options to strengthen their communities by providing services and facilities for people with mental illness, developmental disabilities, and other vulnerable populations, and by increasing access to educational experiences

through cultural organizations; amending RCW 84.52.010, 84.52.010, 36.100.040, 67.28.181, and 82.14.410; adding new sections to chapter 82.14 RCW; adding a new section to chapter 84.52 RCW; adding a new chapter to Title 36 RCW; creating new sections; providing an effective date; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

PART I INTENT

NEW SECTION. Sec. 101. INTENT. (1) The legislature finds that:

- (a) Many Washington cities and counties and their residents are experiencing the lingering effects of the recession. While there are many residents who have been able to successfully weather the economic downturn, unfortunately there are still individuals, families, and valued community organizations who have not. Local governments also have not been immune to this situation. Local government revenues have continued to lag behind economic growth, leaving local communities unable to make adequate and necessary investments in infrastructure and services their residents rely on and benefit from. Additional fiscal tools that provide funding for facilities, services, housing, and programs benefiting vulnerable populations as well as cultural organizations will enable local communities and their residents to choose to invest in their local institutional and human infrastructure to the benefit of the public.
- (b) There is a demonstrated need for facilities and services in the community to help people with mental illness, individuals with developmental disabilities, and other vulnerable populations, including foster children, homeless families, veterans, and others in critical need. The need includes, but is not limited to, funding for mental health services, evaluation and treatment facilities, housing, and other projects and services for those in need.
- (c) There is also a need to provide public and educational benefits and economic support for cultural organizations. Providing local support for the state's cultural organizations is in the public interest and will serve multiple public purposes including, among others, enhancing and extending the education reach and offerings of cultural organizations; ensuring continued and expanded access to the facilities and programs of cultural organizations by economically and geographically underserved populations; and providing financial stability to the organizations to continue and extend the numerous public benefits they provide.
- (2) It is the intent of the legislature to provide local governments and the communities they serve the fiscal tools needed to provide these important services.

PART II DEFINITIONS

<u>NEW SECTION.</u> **Sec. 201.** DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Administrative costs" means all operating, administrative, and maintenance expenses for a program, a designated public agency, or a designated entity.
- (2) "Attendance" means the total number of visits by persons in physical attendance during a year at cultural organization facilities located or cultural organization programs provided within the county creating a program, including attendance for which admission was paid, discounted, or free, consistent with and verifiable under guidelines adopted by the appropriate program.
- (3) "Cultural organization" means a nonprofit corporation incorporated under the laws of the state of Washington and recognized by the internal revenue service as described in section 501(c)(3) of the internal revenue code of 1986, as amended, with its principal location or locations and conducting a majority of its activities within the state, not including: Any agency of the state or any of its political subdivisions; any municipal corporation; any organization that raises funds for redistribution to multiple cultural organizations; or any radio or television broadcasting network or station, cable communications system, internet-based communications venture or service, newspaper, or magazine. The primary purpose of the organization must be the advancement and preservation of science or technology, the visual or performing arts, zoology, botany, anthropology, heritage, or natural history and any organization must directly provide programming or experiences available to the general public. Any organization with the primary purpose of advancing and preserving zoology such as zoos and aquariums must be or support a facility that is accredited by the association of zoos and aquariums or its functional successor. A state-related cultural organization may be a cultural organization.
- (4) "Designated entity" means the entity designated by the legislative authority of a county creating the program, as required under section 601(1)(d) of this act. The entity may be a public agency, including the state arts commission established under chapter 43.46 RCW, or a Washington nonprofit corporation that is not a cultural organization eligible for funding under this chapter.
- (5) "Designated public agency" means the public agency designated by the legislative authority of a county creating the program, as required under section 601(2)(h) of this act.
- (6) "Program" means a cultural access program established by a county by ordinance.
- (7) "Revenues" means revenues from all sources generated by a cultural organization, consistent with generally accepted accounting practices and any program guidelines, excluding: (a) Revenues associated with capital projects other than major maintenance projects including, but not limited to, capital campaign expenses; (b) funds provided under this chapter; (c) revenue that would be considered unrelated business taxable income under the internal revenue code of 1986, as amended; and (d) with respect to a state-related cultural organization, state funding received by it or for the institution it supports. Revenues include transfers from an organization's endowment or reserves and may include the value of in-kind goods and services to the extent permitted under any program guidelines.
- (8) "State-related cultural organization" means an organization incorporated as a nonprofit corporation under the laws of the state of Washington and

recognized by the internal revenue service as described in section 501(c)(3) of the internal revenue code of 1986, as amended, with a primary purpose and directly providing programming or experiences available to the general public consistent with the requirements for recognition as a cultural organization under this chapter operating in a facility owned and supported by the state, a state agency, or state educational institution.

PART III CULTURAL ACCESS PROGRAM

<u>NEW SECTION.</u> **Sec. 301.** CREATION. (1) Any county legislative authority may create a cultural access program by ordinance.

- (2) Any contiguous group of counties may create a program by entering into an interlocal agreement under chapter 39.34 RCW, approved by resolution of the county legislative authorities.
- (3) A city may create a cultural access program if the county legislative authority in which the city is located adopts a resolution stating that the county forfeits its option to create a program or does not place a proposition before the people to create such a program by June 30, 2017. In the event the exception in this subsection occurs, all references in this chapter to a county must include a city that has exercised its authority under this subsection, unless the context clearly requires otherwise.

<u>NEW SECTION.</u> **Sec. 302.** START-UP FUNDING AND CONDITIONAL FORMATION. (1) The county creating a program may advance to the program funding for its administrative costs, including the cost of informing the public about the formation of the program, how it is proposed to be funded, and the public benefits to be realized if it is successful. However, this subsection does not authorize the preparation and distribution of information to the general public for the purpose of influencing the outcome of any election called for voter authorization of a proposed tax to support a program.

(2) The county creating a program may provide for repayment of any startup funding advanced to a program from the proceeds of taxes authorized under sections 401 through 403 of this act and approved by voters after the taxes are first collected. The funds may be repaid to such county with interest at the internal rate of return on the invested funds of such county.

<u>NEW SECTION.</u> **Sec. 303.** NONSUPPLANTATION. In creating a program under this chapter, any county creating the program must affirm that any funding such county usually and customarily provides to cultural organizations similar to funding that would be available to those organizations under this chapter may not be replaced or materially diminished as a result of funding becoming available under this chapter. If an organization designated to receive funds under this chapter is a state-related cultural organization, the funds received under this chapter may not replace or materially diminish any funding usually or customarily provided by the state.

<u>NEW SECTION.</u> **Sec. 304.** ADVISORY COUNCILS. Each county creating a program under this chapter may establish an advisory council, the membership of which must include citizen representatives of constituencies and organizations with interests relevant to the work of the program including, but

not limited to, leaders in the business, educational, and cultural communities. Advisory council members should be residents of the county creating the program. Policies concerning the size and operation of any advisory council must be established by the county that creates the program.

NEW SECTION. Sec. 305. ALTERNATIVE ADMINISTRATIVE ARRANGEMENTS. A county with a population of less than one million five hundred thousand may contract with the state arts commission formed under chapter 43.46 RCW for the provision of consulting, management, or other administrative services to be provided to its program created under this chapter. Any county creating a program may elect to consolidate administration of such a program with that of the entity or public agency designated by the county creating such a program to perform the functions required under section 601 of this act.

PART IV FUNDING

<u>NEW SECTION.</u> **Sec. 401.** PROGRAM TO IMPOSE TAX. (1)(a) Except as provided in (b) of this section, a county creating a program under this chapter may impose sales and use taxes under section 402 of this act or additional regular property tax levies under section 403 of this act for the purposes authorized under this chapter.

- (b) A county with a population of one million five hundred thousand or more may not impose additional regular property tax levies under section 403 of this act.
- (2) If a county imposes sales and use taxes under section 402 of this act, the county may not impose an additional regular property tax levy under section 403 of this act so long as such sales and use taxes are in effect.
- (3) If a county imposes an additional regular property tax levy under section 403 of this act, the county may not impose sales and use taxes under section 402 of this act so long as such property tax levy is in effect.
- (4) All revenue from taxes imposed under this chapter must be credited to a special fund in the treasury of the county imposing such tax and used solely for the purpose of paying all or any part of the cost of cultural access programs as provided in this chapter.

<u>NEW SECTION.</u> **Sec. 402.** A new section is added to chapter 82.14 RCW to read as follows:

SALES AND USE TAXES. (1) The legislative authority of a county or a city may impose a sales and use tax of up to one-tenth of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, for the purposes authorized under chapter 36.--- RCW (the new chapter created in section 802 of this act). The legislative authority of the county or city may impose the sales and use tax by ordinance and must condition its imposition on the specific authorization of a majority of the voters voting on a proposition submitted at a special or general election held after June 30, 2016. The ordinance and ballot proposition may provide for the tax to apply for a period of up to seven consecutive years.

- (2) The tax authorized in this section is in addition to any other taxes authorized by law and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event.
- (3) The legislative authority of a county or city may reimpose a tax imposed under this section for one or more additional periods of up to seven consecutive years. The legislative authority of the county or city may only reimpose the sales and use tax by ordinance and on the prior specific authorization of a majority of the voters voting on a proposition submitted at a special or general election.
- (4) Moneys collected under this section may only be used for the purposes set forth in section 601 of this act.
- (5) The department must perform the collection of taxes under this section on behalf of a county or city at no cost to the county or city, and the state treasurer must distribute those taxes as available on a monthly basis to the county or city or, upon the direction of the county or city, to its treasurer or a fiscal agent, paying agent, or trustee for obligations issued or incurred by the program.
 - (6) The definitions in section 201 of this act apply to this section.

<u>NEW SECTION.</u> **Sec. 403.** A new section is added to chapter 84.52 RCW to read as follows:

PROPERTY TAX. (1) The legislative authority of a county or city may impose an additional regular property tax levy for the purposes authorized under chapter 36.--- RCW (the new chapter created in section 802 of this act). The legislative authority of the county or city may impose the additional levy by ordinance and must condition its imposition of the levy upon prior specific authorization of a majority of the voters voting on a proposition submitted at a special or general election held after June 30, 2016. The ordinance and the ballot proposition must set forth the total dollar amount to be collected in the first year of the levy and the estimated levy rate for the first year and may provide for a levy for a period of up to seven consecutive years. The total dollar amount to be set forth in the ordinance and the ballot proposition may not exceed an amount equal to: The total taxable retail sales and taxable uses in the county or the city levying the property tax for the most recent calendar year as reported by the department multiplied by one-tenth of one percent. Any county or city levying the property tax in this section must calculate the total dollar amount to be collected using the most recent calendar year publicly available data of taxable retail sales published on the department's web site.

(2) The legislative authority of a county or city may reimpose an additional regular property tax levy imposed under subsection (1) of this section for one or more additional periods of up to seven consecutive years. The legislative authority of the county or city may only reimpose the regular property tax levy by ordinance and on the prior specific authorization of a majority of the voters voting on a proposition submitted at a special or general election. The ordinance and the ballot proposition must set forth the total dollar amount to be collected in the first year and the estimated levy rate for the first year of the reimposed levy. The total dollar amount to be set forth in the ordinance and the ballot proposition may not exceed an amount equal to: The total taxable retail sales and taxable uses in the county or the city levying the property tax for the most recent calendar year as reported by the department multiplied by one-tenth of one

percent. Any county or city levying the property tax in this section must calculate the total dollar amount to be collected using the most recent calendar year publicly available data of taxable retail sales published on the department's web site.

- (3) In the event a county or city is levying property taxes under this section that, in combination with property taxes levied by other taxing districts, exceed the limitation in RCW 84.52.050 or 84.52.043(2), the county's or city's property tax levy under this section must be reduced or eliminated consistent with RCW 84.52.010.
- (4) The limitation in RCW 84.55.010 does not apply to the first levy imposed under subsection (1) of this section or to the first levy reimposed under subsection (2) of this section.
- (5) The limitations in RCW 84.52.043(1) do not apply to the tax levy authorized in this section.
- (6) Moneys collected under this section may only be used for the purposes set forth in section 601 of this act.
 - (7) The definitions in section 201 of this act apply to this section.
- **Sec. 404.** RCW 84.52.010 and 2011 1st sp.s. c 28 s 2 are each amended to read as follows:
- (1) Except as is permitted under RCW 84.55.050, all taxes must be levied or voted in specific amounts.
- (2) The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.
- (3) When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor must recompute and establish a consolidated levy in the following manner:
- (a) The full certified rates of tax levy for state, county, county road district, and city or town purposes must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy takes precedence over all other levies and may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, 84.52.140, and the protected portion of the levy under RCW 86.15.160 by flood control zone districts in a county with a population of seven hundred seventy-five thousand or more that are coextensive with a county, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies must be reduced as follows:

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- (i) The portion of the levy by a metropolitan park district that has a population of less than one hundred fifty thousand and is located in a county with a population of one million five hundred thousand or more that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (ii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the protected portion of the levy imposed under RCW 86.15.160 by a flood control zone district in a county with a population of seven hundred seventy-five thousand or more that is coextensive with a county must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.140 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (iv) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district that is protected under RCW 84.52.125 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated:
- (v) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (vi) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (vii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district with a population of one hundred fifty thousand or more that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (viii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, and any portion of the levy imposed under RCW 84.52.069 that is in excess of thirty cents per thousand dollars of assessed value, must be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated; and
- (ix) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any

property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated.

- (b) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property must be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:
- (i) First, the certified property tax levy authorized under section 403 of this act must be reduced on a pro rata basis or eliminated;
- (ii) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or eliminated;
- (((ii) Second)) (iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts other than the portion of a levy protected under RCW 84.52.815 must be reduced on a pro rata basis or eliminated;
- (((iii) Third)) (iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, must be reduced on a pro rata basis or eliminated;
- (((iv) Fourth)) (v) Fifth, if the consolidated tax levy rate still exceeds these limitations, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, must be reduced on a pro rata basis or eliminated;
- (((v) Fifth)) (vi) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional fire protection service authorities under RCW 52.26.140(1) (b) and (c) must be reduced on a pro rata basis or eliminated; and
- (((vi) Sixth)) (vii) Seventh, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, must be reduced on a pro rata basis or eliminated.
- **Sec. 405.** RCW 84.52.010 and 2015 c 170 s 2 are each amended to read as follows:
- (1) Except as is permitted under RCW 84.55.050, all taxes must be levied or voted in specific amounts.
- (2) The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, must be determined, calculated and fixed by the county assessors of the respective counties, within the

limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

- (3) When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor must recompute and establish a consolidated levy in the following manner:
- (a) The full certified rates of tax levy for state, county, county road district, and city or town purposes must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy takes precedence over all other levies and may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, and 84.52.140, and the portion of the levy by a flood control zone district that was protected under RCW 84.52.--- (section 3, chapter 170, Laws of 2015), the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies must be reduced as follows:
- (i) The portion of the levy by a flood control zone district that was protected under RCW 84.52.--- (section 3, chapter 170, Laws of 2015) must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (ii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.140 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district that is protected under RCW 84.52.125 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated:
- (iv) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (v) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

- (vi) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (vii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, and any portion of the levy imposed under RCW 84.52.069 that is in excess of thirty cents per thousand dollars of assessed value, must be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated; and
- (viii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or eliminated.
- (b) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property must be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:
- (i) First, the certified property tax levy authorized under section 403 of this act must be reduced on a pro rata basis or eliminated;
- (ii) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or eliminated;
- (((ii) Second)) (iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts other than the portion of a levy protected under RCW 84.52.--- (section 3, chapter 170, Laws of 2015) must be reduced on a pro rata basis or eliminated;
- (((iii) Third)) (iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, must be reduced on a pro rata basis or eliminated;
- (((iv) Fourth)) (v) Fifth, if the consolidated tax levy rate still exceeds these limitations, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, must be reduced on a pro rata basis or eliminated;
- (((v) Fifth)) (vi) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional fire protection service authorities under RCW 52.26.140(1) (b) and (c) must be reduced on a pro rata basis or eliminated; and

(((vi) Sixth)) (vii) Seventh, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, must be reduced on a pro rata basis or eliminated.

PART V PUBLIC BENEFITS AND PUBLIC SCHOOL CULTURAL ACCESS PROGRAM

NEW SECTION. Sec. 501. PUBLIC BENEFITS. (1) A program created under this chapter must provide or continue to provide funding authorized under this chapter only to cultural organizations that provide discernible public benefits. Each program created under this chapter must identify a range of public benefits that cultural organizations may provide or continue to provide in satisfaction of this requirement for eligibility to receive funding authorized under this chapter. The public benefits include, without limitation: Reasonable opportunities for access to facilities, programs, and services on a reduced or no admission fee basis, particularly for diverse and underserved populations and communities; providing, through technological and other means, services or programs in locations other than an organization's own facilities; providing educational programs and experiences both at an organization's own facilities and in schools and other venues; broadening cultural programs, performances, and exhibitions for the enlightenment and entertainment of the public; supporting collaborative relationships with other cultural organizations in order to extend the reach and impact of the collaborating organizations for the benefit of the public; and, in the case of community-based cultural organizations, organizational capacity-building projects or activities that an organization can demonstrate, to the reasonable satisfaction of the designated entity, will enhance the ability of the organization to provide or continue to provide meaningful public benefits not otherwise achievable.

(2) Each program created under this chapter must adopt guidelines establishing a baseline standard of continuous performance with respect to the provision of public benefits required under this chapter and for evaluating the eligibility of any cultural organization to receive funds under this chapter based on the continuous performance of the organization in the provision of the public benefits. The guidelines must include: (a) Procedures for notifying any organization at risk of losing its eligibility to receive funds under this chapter for failure to achieve the program's baseline standard of performance with respect to the continuous provision of public benefits; and (b) measures or procedures available to the organization for either retaining or recovering eligibility, as appropriate.

<u>NEW SECTION.</u> **Sec. 502.** PUBLIC SCHOOL CULTURAL ACCESS PROGRAM. (1) A program created under this chapter must develop and provide a public school cultural access program, as provided in section 601 of this act.

- (2) To the extent practicable consistent with available resources, the public school cultural access element of a program of a county described in section 601(2) of this act must include the following attributes:
- (a) Provide benefits designed to increase public school student access to the programming offered and facilities operated by regional and community-based cultural organizations receiving funding under this chapter, giving priority to the activities in the order described in (c) of this subsection;
- (b) Offer benefits to every public school in the county while scaling the range of benefits available to and the frequency of opportunities to participate by any particular school to coincide with the relative percentage of students attending the school who participate in the national free or reduced-price school meals program;
- (c) Benefits provided under the public school cultural access program must include without limitation:
- (i) Providing directly or otherwise funding and arranging for transportation for all public school students at participating schools to attend and participate annually in the age-appropriate programs and activities offered by such organizations;
- (ii) Should funding available under this program for student transportation be inadequate in any one year due to more demand for student transportation than can be funded, increasing the subsequent annual percentage allocation to the public school cultural access program up to two percent so as to provide sufficient funds to ensure adequate funding of student transportation;
- (iii) Establishing and operating, within funding provided to support the public school cultural access program under this subsection, of a centralized service available to regional and community-based cultural organizations receiving funding under this chapter and public schools in the county to coordinate opportunities for public school student access to the programs and activities offered by the organizations both at the facilities and venues operated by the organizations and through programs and experiences provided by the organizations at schools and elsewhere;
- (iv) In consultation with cultural organizations located within the county, preparing and maintaining a readily accessible and current guide cataloging access opportunities and facilitating scheduling;
- (v) Coordinating closely with cultural organizations to maximize student utilization of available opportunities in a cost-efficient manner including possible scheduling on a single day opportunities for different grade levels at any one school and participation in multiple programs or activities in the same general area for which program-funded transportation is provided;
- (vi) Supporting the development of tools, materials, and media by cultural organizations to ensure that school access programs and activities correlate with school curricula and extend the reach of access programs and activities for classroom use with or without direct on-site participation, to the extent practicable;
- (vii) Building meaningful partnerships with public schools and cultural organizations in order to maximize participation in school access programs and activities and ensure their relevance and effectiveness;
- (d) When a program determines that its program element required under (c)(i) through (vii) of this subsection has achieved sufficient scale and

participation among public schools located within its boundaries and that it has resources remaining to devote to additional public school cultural access programs without diminishing such participation, the county may develop and financially support other public school cultural access activities in conjunction with cultural organizations receiving funds under this chapter; public school districts; and other public or nonprofit organizations that support cultural access. Any funding for development and support of such activities provided to cultural organizations receiving funds under this subsection must only be used to supplement the public benefits provided by such organizations as required under this chapter and may not be used by such organizations to replace or diminish funding for such required public benefits;

- (e) Preparation of an annual public school cultural access plan for review and adoption prior to implementation; and
- (f) Compilation of an annual report documenting the reach and evaluating the effectiveness of program-funded public school cultural access efforts, including information about the numbers and types of students who participated in the program and recommendations to the county for improvements.

PART VI USE OF FUNDS

<u>NEW SECTION.</u> **Sec. 601.** ALLOCATION. (1) A program in a county with a population of less than one million five hundred thousand must allocate the proceeds of taxes authorized under sections 402 and 403 of this act as follows:

- (a) If any start-up funding has been provided to the program under section 302 of this act with the expectation that the funding will be repaid, the program must annually reserve from total funds available funding sufficient to provide for repayment of such start-up funding until any such start-up funding has been fully repaid;
- (b) The funding determined by the county forming such a program to be reserved for program costs, including direct administrative costs, and repaying any start-up funding provided under section 302 of this act. Information disclosing the amount of funding to be reserved for program administrative costs must be included in any proposition submitted to voters under section 402 or 403 of this act:
- (c) The county must determine the percentage of total funds available annually to be reserved for a public school cultural access program established and managed by the county to increase access to cultural activities and programming for public school students resident in the county. The activities and programming need not be located or provided within the county. In developing its program, the county may consider the attributes prescribed for a public school cultural access program required to be undertaken under section 502(2) of this act and may also consider providing funding for music and arts education in public schools that is in addition to that provided for in the program of basic education funding;
- (d) Remaining funds available annually, including all funds not initially reserved under (a), (b), and (c) of this subsection as well as funds not distributed by the county from the reserved funds must be distributed by the county to the

entity designated by the legislative authority of the county creating the program. The county must determine:

- (i) Guidelines, consistent with the requirements of this chapter, it deems necessary or appropriate for determining the eligibility of cultural organizations to receive funding under this chapter;
- (ii) Criteria for the award of funds to eligible cultural organizations, including the public benefits to be derived from projects submitted for funding;
- (iii) The amount of funding to be allocated to support designated entity administrative costs:
- (iv) Criteria for the identification by the county or, if so directed by the county, by the designated entity of any cultural organization or organizations that would receive annual distributions of funds in such amounts determined by the county or, if so directed by the county, the designated entity; and
- (v) Procedures to be used by the designated entity in awarding funding to other cultural organizations that may, but are not required to include a periodic competitive process for awarding funds for particular purposes or projects proposed by eligible cultural organizations;
- (e) In evaluating requests for funding authorized under this chapter, the designated entity responsible for the distribution of the funds must consider the public benefits that any cultural organizations represented will be derived from proposed projects. At the conclusion of a project approved for funding, such organization is required to report to the designated entity on the public benefits realized;
- (f) Funds distributed to cultural organizations may be used to support cultural and educational activities, programs, and initiatives; public benefits and communications; and basic operations. Funds may also be used for: (i) Capital expenditures or acquisitions including, but not limited to, the acquisition of or construction of improvements to real property; and (ii) technology, equipment, and supplies reasonably related to or necessary for a project otherwise eligible for funding under this chapter. Program guidelines may also determine the circumstances under which funds may be used to fund start-up expenses of new community-based cultural organizations;
- (g) If the county or designated entity determine the eligibility of a cultural organization to receive funding or the relative magnitude of the funding it receives on the basis of its budget, revenues, or expenses, any determination with respect to a qualifying state-related cultural organization must exclude any state funding received by the organization or for the institution it supports.
- (2) A county with a population of more than one million five hundred thousand must allocate the proceeds of the taxes authorized under section 402 of this act as follows:
- (a) If any start-up funding has been provided to the program under section 302 of this act with the expectation that the funding will be repaid, the program must annually reserve from total funds available annually funding sufficient to provide for repayment of such start-up funding until any such start-up funding has been fully repaid;
- (b) After allocating any funds as required in (a) of this subsection, up to one and one-fourth percent of total funds available annually may be used for program administrative costs;

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- (c) After allocating funds as required in (a) and (b) of this subsection, ten percent of remaining funds available annually must be used to fund a public school cultural access program to be administered by the program, subject to section 502(2) of this act;
- (d) Seventy percent of total remaining funds available annually excluding funds initially reserved under (a), (b), and (c) of this subsection must be reserved for distribution by the program to regional cultural organizations that are cultural organizations that own, operate, or support cultural facilities or provide performances, exhibits, educational programs, experiences, or entertainment that widely benefit and are broadly attended by the public, subject to further definition under guidelines adopted by the program. A regional cultural organization may also generally be characterized under program guidelines as a financially stable, substantial organization with full-time support and program staff, maintaining a broad-based membership, having year-round or enduring seasonal operations, being a substantial financial contributor to the development, operation, and maintenance of the organization's principal venue or venues, and providing substantial public benefits. The funding must be provided only to those regional cultural organizations that the program determines, on an annual basis, to have met the following guidelines:
- (i) For at least the preceding three years, the organization has been continuously in good standing as a nonprofit corporation under the laws of the state of Washington;
- (ii) The organization has its principal location or locations and conducts the majority of its activities within the county area primarily for the benefit of county residents;
- (iii) The organization has not declared bankruptcy or suspended or substantially curtailed operations for a period longer than six months during the preceding two years;
- (iv) The organization provided to the program audited annual financial statements for at least its two most recent fiscal years;
- (v) Over the three preceding years, the organization has minimum average annual revenues of at least one million two hundred fifty thousand dollars. The program must annually and cumulatively adjust the minimum revenues by the annual percentage change in the consumer price index for the prior year for the Seattle-Tacoma-Bellevue, Washington metropolitan statistical area for all urban consumer, all goods, as published by the United States department of labor, bureau of labor statistics. The minimum revenues requirement, adjusted for inflation as provided in this section, remains effective through the date on which the initial tax authorized by the voters under section 402 or 403 of this act expires. Thereafter, the program must, at the beginning of each subsequent period of funding as approved by the voters, establish initial minimum average annual revenues of not less than the amount of the minimum revenues required during the final year of the immediately preceding period of funding;
- (vi) For purposes of determining the eligibility of a regional organization to receive funding or the relative magnitude of the funding it receives on the basis of its revenues, any determination with respect to a qualifying state-related cultural organization must exclude any state funding received by the organization or for the institution it supports; and

- (vii) Any additional guidelines, consistent with section 201 of this act and this section, as the program deems necessary or appropriate for determining the eligibility of prospective regional cultural organizations to receive funding under this section and for establishing the amount of funding any organization may receive;
- (e) Funds available under (d) of this subsection must be distributed among eligible regional cultural organizations based on an annual ranking of eligible organizations by the combined size of their average annual revenues and their average annual attendance, both over the three preceding years. However, an organization's attendance must have twice the weight of the organization's revenues in determining its relative ranking. Available funds must be distributed proportionally among eligible organizations, consistent with the ranking, such that the organization with the largest combined revenues and weighted attendance would receive the most funding and the organization with the smallest combined revenues and weighted attendance would receive the least funding. However, no organization may receive funds in excess of fifteen percent of its average annual revenues over the three preceding years;
- (f) Funds distributed to regional cultural organizations under (d) of this subsection must be used to support cultural and educational activities, programs and initiatives, public benefits and communications, and basic operations.
- (i) At least twenty percent of funds distributed to any regional cultural organizations under (d) of this subsection must be used to participate in the program's public school cultural access program required under section 502 of this act. The regional cultural organizations must provide or continue to provide public benefits under this section in addition to participating in the public school cultural access program.
- (ii) No funds distributed to regional cultural organizations under (d) of this subsection may be used for capital expenditures or acquisitions including, but not limited to, the acquisition of or the construction of improvements to real property;
- (g) Prior to December 31st of each year, each regional cultural organization receiving funds authorized under this chapter pursuant to a program allocation formula must provide a report to the program, including:
- (i) A preview of the public benefits the organization plans to provide or continue to provide in the following year;
- (ii) A preview of the organization's public school cultural access program participation in the following year; and
- (iii) A report on public benefits it provided, and its participation in the public school cultural access program, during the current year;
- (h) Remaining funds available annually, including funds not initially reserved under (a) through (d) of this subsection as well as funds not distributed by the program from the reserved funds must be distributed by the program to the public agency designated by the legislative authority of the county creating such a program;
- (i) Funds distributed by the designated public agencies under (h) of this subsection must be applied as follows:
- (i) Not more than eight percent of such funds must be used for administrative costs of the public agency designated by a county creating the program; and

- (ii) The balance must be used to fund community-based cultural organizations that are cultural organizations or a community preservation and development authority formed under chapter 43.167 RCW prior to January 1, 2011, that primarily function, focus their activities, and are supported or patronized within a local community and are not a regional cultural organization, subject to further definition under guidelines adopted by the designated public agency. Designated public agencies must adopt:
- (A) Guidelines, consistent with the requirements of this chapter, it deems necessary or appropriate for determining the eligibility of community-based cultural organizations to receive funding under this chapter and for establishing the amount of funding any organization may receive;
- (B) Criteria for the award of funds to eligible community-based cultural organizations, including the public benefits to be derived from projects submitted for funding; and
- (C) Procedures for conducting, at least annually, a competitive process for the award of available funding;
- (j) Funds distributed to community-based cultural organizations may be used to support cultural and educational activities, programs, and initiatives; public benefits and communications; and basic operations. Funds may also be used for: (i) Capital expenditures or acquisitions including, but not limited to, the acquisition of or construction of improvements to real property; and (ii) technology, equipment, and supplies reasonably related to or necessary for a project otherwise eligible for funding under this chapter. Program guidelines may also determine the circumstances under which funds may be used to fund start-up expenses of new community-based cultural organizations.

PART VII LOCAL OPTION SALES AND USE TAX FOR HOUSING AND RELATED SERVICES

<u>NEW SECTION.</u> **Sec. 701.** A new section is added to chapter 82.14 RCW to read as follows:

- (1)(a) A county legislative authority may submit an authorizing proposition to the county voters at a special or general election and, if the proposition is approved by a majority of persons voting, impose a sales and use tax in accordance with the terms of this chapter. The title of each ballot measure must clearly state the purposes for which the proposed sales and use tax will be used. The rate of tax under this section may not exceed one-tenth of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.
- (b)(i) If a county with a population of one million five hundred thousand or less has not imposed the full tax rate authorized under (a) of this subsection within two years of the effective date of this section, any city legislative authority located in that county may submit an authorizing proposition to the city voters at a special or general election and, if the proposition is approved by a majority of persons voting, impose the whole or remainder of the sales and use tax rate in accordance with the terms of this chapter. The title of each ballot measure must clearly state the purposes for which the proposed sales and use tax will be used. The rate of tax under this section may not exceed one-tenth of one

percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.

- (ii) If a county with a population of greater than one million five hundred thousand has not imposed the full tax authorized under (a) of this subsection within three years of the effective date of this section, any city legislative authority located in that county may submit an authorizing proposition to the city voters at a special or general election and, if the proposition is approved by a majority of persons voting, impose the whole or remainder of the sales and use tax rate in accordance with the terms of this chapter. The title of each ballot measure must clearly state the purposes for which the proposed sales and use tax will be used. The rate of tax under this section may not exceed one-tenth of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax.
- (c) If a county imposes a tax authorized under (a) of this subsection after a city located in that county has imposed the tax authorized under (b) of this subsection, the county must provide a credit against its tax for the full amount of tax imposed by a city.
- (d) The taxes authorized in this subsection are in addition to any other taxes authorized by law and must be collected from persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the county for a county's tax and within a city for a city's tax.
- (2)(a) Notwithstanding subsection (4) of this section, a minimum of sixty percent of the moneys collected under this section must be used for the following purposes:
- (i) Constructing affordable housing, which may include new units of affordable housing within an existing structure, and facilities providing housing-related services; or
 - (ii) Constructing mental and behavioral health-related facilities; or
- (iii) Funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers.
- (b) The affordable housing and facilities providing housing-related programs in (a)(i) of this subsection may only be provided to persons within any of the following population groups whose income is at or below sixty percent of the median income of the county imposing the tax:
 - (i) Persons with mental illness;
 - (ii) Veterans;
 - (iii) Senior citizens;
 - (iv) Homeless, or at-risk of being homeless, families with children;
 - (v) Unaccompanied homeless youth or young adults;
 - (vi) Persons with disabilities; or
 - (vii) Domestic violence survivors.
- (c) The remainder of the moneys collected under this section must be used for the operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services.
- (3) A county that imposes the tax under this section must consult with a city before the county may construct any of the facilities authorized under subsection (2)(a) of this section within the city limits.

- (4) A county that has not imposed the tax authorized under RCW 82.14.460 prior to the effective date of this section, but imposes the tax authorized under this section after a city in that county has imposed the tax authorized under RCW 82.14.460 prior to the effective date of this section, must enter into an interlocal agreement with that city to determine how the services and provisions described in subsection (2) of this section will be allocated and funded in the city.
- (5) To carry out the purposes of subsection (2)(a) and (b) of this section, the legislative authority of the county or city imposing the tax has the authority to issue general obligation or revenue bonds within the limitations now or hereafter prescribed by the laws of this state, and may use, and is authorized to pledge, up to fifty percent of the moneys collected under this section for repayment of such bonds, in order to finance the provision or construction of affordable housing, facilities where housing-related programs are provided, or evaluation and treatment centers described in subsection (2)(a)(iii) of this section.
- (6)(a) Moneys collected under this section may be used to offset reductions in state or federal funds for the purposes described in subsection (2) of this section.
- (b) No more than ten percent of the moneys collected under this section may be used to supplant existing local funds.
- **Sec. 702.** RCW 36.100.040 and 2015 c 151 s 1 are each amended to read as follows:
- (1) A public facilities district may impose an excise tax on the sale of or charge made for the furnishing of lodging that is subject to tax under chapter 82.08 RCW, except that no such tax may be levied on any premises having fewer than forty lodging units. Except for any tax imposed under subsection (4) or (5) of this section, if a public facilities district has not imposed such an excise tax prior to December 31, 1995, the public facilities district may only impose the excise tax if a ballot proposition authorizing the imposition of the tax has been approved by a simple majority vote of voters of the public facilities district voting on the proposition.
- (2) The rate of the tax may not exceed two percent and the proceeds of the tax may only be used for the acquisition, design, construction, remodeling, maintenance, equipping, reequipping, repairing, and operation of its public facilities. This excise tax may not be imposed until the district has approved the proposal to acquire, design, and construct the public facilities.
- (3) Except for a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, and operating a convention and trade center, a public facilities district may not impose the tax authorized in this section if, after the tax authorized in this section was imposed, the effective combined rate of state and local excise taxes, including sales and use taxes and excise taxes on lodging, imposed on the sale of or charge made for furnishing of lodging in any jurisdiction in the public facilities district exceeds eleven and one-half percent.
- (4) To replace the tax authorized by RCW 67.40.090, a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, and operating a convention and trade center may impose an excise tax on the sale of or charge made for the furnishing of lodging that is subject to tax under chapter 82.08 RCW, except that no such tax may be levied on any premises: (a) Having fewer

than sixty lodging units; or (b) classified as a hostel. The rate of the tax may not exceed seven percent within the portion of the district that corresponds to the boundaries of the largest city within the public facilities district and may not exceed 2.8 percent in the remainder of the district. The tax imposed under this subsection (4) may not be collected prior to the transfer date defined in RCW 36.100.230.

- (5) To replace the tax authorized by RCW 67.40.130, a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, and operating a convention and trade center may impose an additional excise tax on the sale of or charge made for the furnishing of lodging that is subject to tax under chapter 82.08 RCW, except that no such tax may be levied on any premises: (a) Having fewer than sixty lodging units; or (b) classified as a hostel. The rate of the additional excise tax may not exceed two percent and may be imposed only within the portion of the district that corresponds to the boundaries of the largest city within the public facilities district and may not be imposed in the remainder of the district. The tax imposed under this subsection (5) may not be collected prior to the transfer date specified in RCW 36.100.230. The tax imposed under this subsection (5) must be credited against the amount of the tax otherwise due to the state from those same taxpayers under chapter 82.08 RCW. The tax under this subsection (5) may be imposed only for the purpose of paying or securing the payment of the principal of and interest on obligations issued or incurred by the public facilities district and paying annual payment amounts to the state under subsection (6)(a) of this section. The authority to impose the additional excise tax under this subsection (5) expires on the date that is the earlier of (a) July 1, 2029, or (b) the date on which all obligations issued or incurred by the public facilities district to implement any redemption, prepayment, or legal defeasance of outstanding obligations under RCW 36.100.230(3)(a) are no longer outstanding.
- (6)(a) Commencing with the first full fiscal year of the state after the transfer date defined in RCW 36.100.230 and for so long as a public facilities district imposes a tax under subsection (5) of this section, the public facilities district must transfer to the state of Washington on June 30th of each state fiscal year an annual payment amount.
- (b) For the purposes of this subsection (6), "annual payment amount" means an amount equal to revenues received by the public facilities district in the fiscal year from the additional excise tax imposed under subsection (5) of this section plus an interest charge calculated on one-half the annual payment amount times an interest rate equal to the average annual rate of return for the prior calendar year in the Washington state local government investment pool created in chapter 43.250 RCW.
- (c)(i) If the public facilities district in any fiscal year is required to apply additional lodging excise tax revenues to the payment of principal and interest on obligations it issues or incurs, and the public facilities district is unable to pay all or any portion of the annual payment amount to the state, the deficiency is deemed to be a loan from the state to the public facilities district for the purpose of assisting the district in paying such principal and interest and must be repaid by the public facilities district to the state after providing for the payment of the principal of and interest on obligations issued or incurred by the public facilities

district, all on terms established by an agreement between the state treasurer and the public facilities district executed prior to the transfer date. Any agreement between the state treasurer and the public facilities district must specify the term for the repayment of the deficiency in the annual payment amount with an interest rate equal to the twenty bond general obligation bond buyer index plus one percentage point.

- (ii) Outstanding obligations to repay any loans deemed to have been made to the public facilities district as provided in any such agreements between the state treasurer and the public facilities district survive the expiration of the additional excise tax under subsection (5) of this section.
- (iii) For the purposes of this subsection (6)(c), "additional lodging excise tax revenues" mean the tax revenues received by the public facilities district under subsection (5) of this section.
- (7) A public facilities district is authorized to pledge any of its revenues, including without limitation revenues from the taxes authorized in this section, to pay or secure the payment of obligations issued or incurred by the public facilities district, subject to the terms established by the board of directors of the public facilities district. So long as a pledge of the taxes authorized under this section is in effect, the legislature may not withdraw or modify the authority to levy and collect the taxes at the rates permitted under this section and may not increase the annual payment amount to be transferred to the state under subsection (6) of this section.
- (8) The department of revenue must perform the collection of such taxes on behalf of the public facilities district at no cost to the district, and the state treasurer must distribute those taxes as available on a monthly basis to the district or, upon the direction of the district, to a fiscal agent, paying agent, or trustee for obligations issued or incurred by the district.
- (9) Except as expressly provided in this chapter, all of the provisions contained in RCW 82.08.050 and 82.08.060 and chapter 82.32 RCW have full force and application with respect to taxes imposed under the provisions of this section.
- (10) In determining the effective combined rate of tax for purposes of the limit in subsection (3) of this section, the tax rate under section 701 of this act is not included.
- (11) The taxes imposed in this section do not apply to sales of temporary medical housing exempt under RCW 82.08.997.
- (((111))) (12)(a) For the purposes of this section, "hostel" means a structure or facility where a majority of the rooms for sleeping accommodations are hostel dormitories containing a minimum of four standard beds designed for single-person occupancy within the facility. Hostel accommodations are supervised and must include at least one common area and at least one common kitchen for guest use.
- (b) For the purpose of this subsection, "hostel dormitory" means a single room, containing four or more standard beds designed for single-person occupancy, used exclusively as nonprivate communal sleeping quarters, generally for unrelated persons, where such persons independently acquire the right to occupy individual beds, with the operator supervising and determining which bed each person will occupy.

Sec. 703. RCW 67.28.181 and 2004 c 79 s 8 are each amended to read as follows:

- (1) The legislative body of any municipality may impose an excise tax on the sale of or charge made for the furnishing of lodging that is subject to tax under chapter 82.08 RCW. The rate of tax shall not exceed the lesser of two percent or a rate that, when combined with all other taxes imposed upon sales of lodging within the municipality under this chapter and chapters 36.100, 67.40, 82.08, and 82.14 RCW, equals twelve percent. A tax under this chapter shall not be imposed in increments smaller than tenths of a percent.
 - (2) Notwithstanding subsection (1) of this section:
- (a) If a municipality was authorized to impose taxes under this chapter or RCW 67.40.100 or both with a total rate exceeding four percent before July 27, 1997, such total authorization shall continue through January 31, 1999, and thereafter the municipality may impose a tax under this section at a rate not exceeding the rate actually imposed by the municipality on January 31, 1999.
- (b) If a city or town, other than a municipality imposing a tax under (a) of this subsection, is located in a county that imposed taxes under this chapter with a total rate of four percent or more on January 1, 1997, the city or town may not impose a tax under this section.
- (c) If a city has a population of four hundred thousand or more and is located in a county with a population of one million or more, the rate of tax imposed under this chapter by the city shall not exceed the lesser of four percent or a rate that, when combined with all other taxes imposed upon sales of lodging in the municipality under this chapter and chapters 36.100, 67.40, 82.08, and 82.14 RCW, equals fifteen and two-tenths percent.
- (d) If a municipality was authorized to impose taxes under this chapter or RCW 67.40.100, or both, at a rate equal to six percent before January 1, 1998, the municipality may impose a tax under this section at a rate not exceeding the rate actually imposed by the municipality on January 1, 1998.
- (3) Any county ordinance or resolution adopted under this section shall contain a provision allowing a credit against the county tax for the full amount of any city or town tax imposed under this section upon the same taxable event.
- (4) In determining the effective combined rate of tax for purposes of the limit in subsections (1) and (2)(c) of this section, the tax rate under section 701 of this act is not included.
- Sec. 704. RCW 82.14.410 and 2001 c 6 s 1 are each amended to read as follows:
- (1) A local sales and use tax change adopted after December 1, 2000, must provide an exemption for those sales of lodging for which, but for the exemption, the total sales tax rate imposed on sales of lodging would exceed the greater of:
 - (a) Twelve percent; or
- (b) The total sales tax rate that would have applied to the sale of lodging if the sale were made on December 1, 2000.
 - (2) For the purposes of this section:
- (a) "Local sales and use tax change" is defined as provided in RCW 82 14 055

- (b) "Sale of lodging" means the sale of or charge made for the furnishing of lodging and all other services by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property.
- (c) "Total sales tax rate" means the combined rates of all state and local taxes imposed under this chapter and chapters 36.100, 67.28, 67.40, and 82.08 RCW, and any other tax authorized after March 29, 2001, if the tax is in the nature of a sales tax collected from the buyer, but excluding taxes imposed under RCW 81.104.170 before December 1, 2000, and taxes imposed under section 701 of this act.

PART VIII MISCELLANEOUS

<u>NEW SECTION.</u> **Sec. 801.** No direct or collateral attack on any program purported to be authorized or created in conformance with this chapter may be commenced more than thirty days after creation.

<u>NEW SECTION.</u> **Sec. 802.** Sections 101 through 305, 401, 501, 502, and 601 of this act constitute a new chapter in Title 36 RCW.

<u>NEW SECTION.</u> **Sec. 803.** 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.

<u>NEW SECTION.</u> **Sec. 804.** The provisions of this act must be liberally construed to effectuate the policies and purposes of this act.

NEW SECTION. Sec. 805. Section 404 of this act expires January 1, 2018.

<u>NEW SECTION.</u> **Sec. 806.** Section 405 of this act takes effect January 1, 2018.

Passed by the House June 28, 2015. Passed by the Senate June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 25

[House Bill 1061] SKAGIT COUNTY--DISTRICT COURT JUDGES

AN ACT Relating to increasing the number of district court judges in Skagit county; amending RCW 3.34.010; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 3.34.010 and 2011 c 43 s 1 are each amended to read as follows:

The number of district judges to be elected in each county shall be: Adams, two; Asotin, one; Benton, five; Chelan, two; Clallam, two; Clark, six; Columbia, one; Cowlitz, three; Douglas, one; Ferry, one; Franklin, one; Garfield, one; Grant, three; Grays Harbor, two; Island, one; Jefferson, one; King, twenty-three in 2009, twenty-five in 2010, and twenty-six in 2011; Kitsap, four; Kittitas, two; Klickitat, two; Lewis, two; Lincoln, one; Mason, one; Okanogan, two; Pacific,

two; Pend Oreille, one; Pierce, eleven; San Juan, one; Skagit, ((two))three; Skamania, one; Snohomish, eight; Spokane, eight; Stevens, one; Thurston, three; Wahkiakum, one; Walla Walla, two; Whatcom, two; Whitman, one; Yakima, four. This number may be increased only as provided in RCW 3.34.020.

NEW SECTION. Sec. 2. The additional judicial position created by section 1 of this act in Skagit county becomes effective only if the county, through its duly constituted legislative authority, documents its approval of the additional position and its agreement that it will pay out of county funds, without reimbursement from the state, the expenses of the additional judicial position as provided by statute.

Passed by the House June 30, 2015.
Passed by the Senate June 30, 2015.
Approved by the Governor July 6, 2015.
Filed in Office of Secretary of State July 7, 2015.

CHAPTER 26

[Engrossed Substitute House Bill 1965]
LIQUOR CONTROL BOARD--FEES--LICENSES AND PERMITS

AN ACT Relating to a temporary additional fee on licenses and permits issued by the Washington state liquor control board; adding a new section to chapter 66.08 RCW; creating new sections; providing a contingent effective date; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) A nonrefundable additional fee is imposed on all applications and renewals of licenses and permits relating to spirits, wine, and beer required under chapters 66.20 and 66.24 RCW, with the exception of license issuance fees of seventeen percent of revenues owed by spirits retail licensees under RCW 66.24.630(4)(a), and the five to ten percent license issuance fee for spirits distributors under RCW 66.24.055(3). The fee applies to all applications and license modifications received on or after the effective date of this section and renewals where the date of license expiration is on or after June 30, 2015. The fee is equal to six and two tenths percent of the licensing or permit fee due under chapters 66.20 and 66.24 RCW. If the fee is not a whole dollar amount, the fee must be rounded up to the next whole dollar.

(2) This section expires June 30, 2017.

NEW SECTION. Sec. 2. (1) Beginning on the effective date of this act, a nonrefundable additional fee is imposed on all applications and renewals of licenses relating to marijuana required under chapter 69.50 RCW. The fee applies to all applications and license modifications received on or after the effective date of this section and renewals where the date of license expiration is on or after June 30, 2015. The fee is equal to six and two tenths percent of the licensing or permit fee otherwise due under chapter 69.50 RCW. If the fee is not a whole dollar amount, the fee must be rounded up to the next whole dollar.

(2) This section expires June 30, 2017.

<u>NEW SECTION.</u> **Sec. 3.** A new section is added to chapter 66.08 RCW to read as follows:

- (1) The licensing and enforcement system modernization project account is created in the custody of the state treasurer. All receipts from sections 1 and 2 of this act must be deposited into the account. Expenditures from the account may be only used for the expenses of replacing and modernizing the board's licensing, enforcement, and imaging system. The expenditures may be expended for automation of licenses and permits, electronic payments, data warehousing, project management and system testing, consulting, contracting, and staff time, and any necessary data conversion, software, hardware, and related equipment costs. Before making expenditures from the account, the board must conduct a thorough business process examination to ensure the new system provides efficient and effective service delivery. As part of the examination, the board must evaluate and articulate how any new system procurement serves the current and future needs of the internal and external stakeholders, the customers, and the public. Only the director of the board or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.
 - (2) This section expires June 30, 2019.
- <u>NEW SECTION.</u> **Sec. 4.** (1) This act takes effect only if, by June 30, 2016, the licensing and enforcement modernization project has received a funding allocation from the information technology pool appropriated in chapter . . ., Laws of 2015 3rd sp. sess. (omnibus operating appropriations act).
- (2) The office of financial management must provide notice of the effective date of this act to the liquor and cannabis board, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others deemed appropriate by the office.

Passed by the House June 29, 2015. Passed by the Senate June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 27

[Engrossed Substitute House Bill 2128] DEPARTMENT OF AGRICULTURE--FEES

AN ACT Relating to fees assessed by the department of agriculture; amending RCW 15.36.051, 15.36.081, 15.36.491, 15.36.525, 69.07.040, 69.07.085, and 69.10.015; adding a new section to chapter 15.36 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

- <u>NEW SECTION.</u> **Sec. 1.** (1) The legislature finds that section 309(4), chapter 4, Laws of 2013 2nd sp. sess. directed the department of agriculture to convene and facilitate a work group with appropriate stakeholders to review fees supporting programs within the department that are also supported with the state general fund.
- (2) The legislature further finds that with the help of a consulting firm, the department of agriculture identified fees in the food safety and animal health programs that met the budget proviso criteria. The department then formed a work group with representatives from dairy, food processing, and other relevant professional associations.

- (3) The legislature further finds that the work group's final report recommends fee increases for fees that do not completely cover the costs of services provided and that will make programs within the department of agriculture less reliant on the state general fund. Therefore, the legislature intends to implement the recommendations of the work group's report.
- Sec. 2. RCW 15.36.051 and 2005 c 414 s 1 are each amended to read as follows:
- (1) A milk processing plant must obtain an annual milk processing plant license from the department, which shall expire on June $30\underline{th}$ of each year. A milk processing plant may choose to process (((1)): (a) Grade A milk and milk products((-1)): or (((2))) (b) other milk products that are not classified grade A.
- (2) Only one license may be required to process milk; however, milk processing plants must obtain the necessary endorsements from the department in order to process products as defined for each type of milk or milk product processing. Application for a license shall be on a form prescribed by the director and accompanied by a ((fifty-five)) two hundred fifty dollar annual license fee beginning July 1, 2015. The applicant shall include on the application the full name of the applicant for the license and the location of the milk processing plant he or she intends to operate and any other necessary information. Upon the approval of the application by the director and compliance with the provisions of this chapter, including the applicable rules adopted under this chapter by the department, the applicant shall be issued a license or a renewal of a license.
- (3) Licenses shall be issued to cover only those products, processes, and operations specified in the license application and approved for licensing. If a license holder wishes to engage in processing a type of milk product that is different than the type specified on the application supporting the licensee's existing license and processing that type of food product would require a major addition to or modification of the licensee's processing facilities, the licensee shall submit an amendment to the current license application. In such a case, the licensee may engage in processing the new type of milk product only after the amendment has been approved by the department.
- (4) A licensee under this section shall not be required to obtain a food processing plant license under chapter 69.07 RCW to process milk or milk products.
- (5) The director shall waive the fee for a food processing license under chapter 69.07 RCW for persons who are also licensed as a milk processing plant.
- Sec. 3. RCW 15.36.081 and 1999 c 291 s 5 are each amended to read as follows:
- (1) A dairy technician must obtain a dairy technician's license to conduct operations under this chapter. Such license shall be limited to those functions which the licensee has been found qualified to perform. Before issuing the license the director shall assess the applicant's qualifications and may test the applicant for the functions for which application has been made.
- (2) Application for a license as a dairy technician shall be made upon forms provided by the director, and shall be filed with the department. The director may issue a temporary license to the applicant for such period as may be

prescribed and stated in the license, not to exceed sixty days, but the license may not be renewed to extend the period beyond sixty days.

- (3) The initial application <u>and renewal</u> for a dairy technician's license must be accompanied by a license fee of ((ten dollars. The fee for renewal of the license is five)) twenty-five dollars <u>beginning July 1, 2015</u>. All dairy technicians' licenses shall expire on December 31st of odd-numbered years.
- (4) The initial application for any endorsement beyond a dairy technician's license must be accompanied by an endorsement fee of twenty-five dollars beginning July 1, 2015.
- Sec. 4. RCW 15.36.491 and 2005 c 414 s 4 are each amended to read as follows:

All moneys received for licenses under this chapter shall be deposited ((in the general fund, except that all moneys received for annual milk processing plant licenses under RCW 15.36.051 shall be deposited)) in the agricultural local fund established under RCW 43.23.230.

Sec. 5. RCW 15.36.525 and 1999 c 291 s 25 are each amended to read as follows:

The department may issue sanitary certificates to milk processing plants under this chapter subject to such requirements as it may establish by rule. The fee for issuance is ((fifty)) seventy-five dollars per certificate beginning July 1, 2015. Fees collected under this section shall be deposited in the agricultural local fund.

<u>NEW SECTION.</u> **Sec. 6.** A new section is added to chapter 15.36 RCW to read as follows:

The department may, upon inspection, assess an inspection fee on any manufacturing facility that is required to be inspected under the PMO and does not satisfy the definition of "milk processing plant" as defined in this chapter, "food processing plant" as defined in RCW 69.07.010, or "food storage warehouse" as defined in RCW 69.10.005.

- Sec. 7. RCW 69.07.040 and 1995 c 374 s 21 are each amended to read as follows:
- (1) It ((shall be)) is unlawful for any person to operate a food processing plant or process foods in the state without first having obtained an annual license from the department, which shall expire on a date set by rule by the director. License fees shall be prorated where necessary to accommodate staggering of expiration dates. Application for a license shall be on a form prescribed by the director and accompanied by the license fee. The license fee is determined by computing the gross annual sales for the accounting year immediately preceding the license year. If the license is for a new operator, the license fee shall be based on an estimated gross annual sales for the initial license period.

If gross annual sales are:	The license fee is:
\$0 to \$50,000	\$((55.00)) <u>92.00</u>
\$50,001 to \$500,000	\$((110.00)) <u>147.00</u>
\$500,001 to \$1,000,000	\$((220.00)) <u>262.00</u>
\$1,000,001 to \$5,000,000	\$((385.00)) <u>427.00</u>

\$5,000,001 to \$10,000,000 \$((550.00)) 585.00Greater than \$10,000,000 \$((825.00)) 862.00

((Such application shall)) (2) Applications under this section must include:

- (a) The full name of the applicant for the license and the location of the food processing plant he or she intends to operate((. If such)), and if the applicant is an individual, receiver, trustee, firm, partnership, association, or corporation, the full name of each member of the firm or partnership, or names of the officers of the association or corporation ((shall be given on the application. Such application shall further state));
- (b) The principal business address of the applicant in the state and elsewhere and the name of a person domiciled in this state authorized to receive and accept service of summons of legal notices of all kinds for the applicant((. The application shall also specify)); and
- (c) The type of food to be processed and the method or nature of processing operation or preservation of that food and any other necessary information.
- (3) Upon the approval of the application by the director and compliance with the provisions of this chapter, including the applicable regulations adopted ((hereunder)) by the department, the applicant shall be issued a license or renewal ((thereof)).
- (4) Licenses shall be issued to cover only those products, processes, and operations specified in the license application and approved for licensing. Wherever a license holder wishes to engage in processing a type of food product that is different than the type specified on the application supporting the licensee's existing license and processing that type of food product would require a major addition to or modification of the licensee's processing facilities or has a high potential for harm, the licensee ((shall)) must submit an amendment to the current license application. In such a case, the licensee may engage in processing the new type of food product only after the amendment has been approved by the department.
- (5) If upon investigation by the director, it is determined that a person is processing food for retail sale and is not under permit, license, or inspection by a local health authority, then that person may be considered a food processor and subject to the provisions of this chapter.
- (6) The director may waive the licensure requirements of this chapter for a person's operations at a facility if the person has obtained a milk processing plant license under chapter 15.36 RCW to conduct the same or a similar operation at the facility.
- Sec. 8. RCW 69.07.085 and 1995 c 374 s 23 are each amended to read as follows:

The department may issue sanitary certificates to food processors under this chapter subject to such requirements as it may establish by rule. The fee for issuance shall be ((fifty)) seventy-five dollars per certificate. Fees collected under this section shall be deposited in the agricultural local fund.

- Sec. 9. RCW 69.10.015 and 1995 c 374 s 10 are each amended to read as follows:
- (1) Except as provided in this section and RCW 69.10.020, it shall be unlawful for any person to operate a food storage warehouse in the state without

first having obtained an annual license from the department, which shall expire on a date set by rule by the director. Application for a license or license renewal shall be on a form prescribed by the director and accompanied by the license fee. The license fee is ((fifty)) two hundred dollars.

- (2) For a food storage warehouse that has been inspected on at least an annual basis for compliance with the provisions of the current good manufacturing practices (Title 21 C.F.R. part 110) by a federal agency or by a state agency acting on behalf of and under contract with a federal agency and that is not exempted from licensure by RCW 69.10.020, the annual license fee for the warehouse is twenty-five dollars.
- (3) The application shall include the full name of the applicant for the license and the location of the food storage warehouse he or she intends to operate. If such applicant is an individual, receiver, trustee, firm, partnership, association, or corporation, the full name of each member of the firm or partnership, or names of the officers of the association or corporation must be given on the application. The application shall further state the principal business address of the applicant in the state and elsewhere and the name of a person domiciled in this state authorized to receive and accept service of summons of legal notices of all kinds for the applicant. Upon the approval of the application by the director and compliance with the provisions of this chapter, including the applicable regulations adopted under this chapter by the department, the applicant shall be issued a license or renewal thereof. The director shall waive licensure under this chapter for firms that are licensed under the provisions of chapter 69.07 or 15.36 RCW.

Passed by the House June 29, 2015. Passed by the Senate June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 28

[House Bill 2195] AUDITOR'S FEES

AN ACT Relating to auditor's fees; and amending RCW 36.18.010.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 36.18.010 and 2007 c 523 s 2 are each amended to read as follows:

County auditors or recording officers shall collect the following fees for their official services:

(1) For recording instruments, for the first page eight and one-half by fourteen inches or less, five dollars; for each additional page eight and one-half by fourteen inches or less, one dollar. The fee for recording multiple transactions contained in one instrument will be calculated for each transaction requiring separate indexing as required under RCW 65.04.050 as follows: The fee for each title or transaction is the same fee as the first page of any additional recorded document; the fee for additional pages is the same fee as for any additional pages for any recorded document; the fee for the additional pages may be collected only once and may not be collected for each title or transaction;

- (2) For preparing and certifying copies, for the first page eight and one-half by fourteen inches or less, three dollars; for each additional page eight and one-half by fourteen inches or less, one dollar;
- (3) For preparing noncertified copies, for each page eight and one-half by fourteen inches or less, one dollar;
- (4) For administering an oath or taking an affidavit, with or without seal, two dollars;
- (5) For issuing a marriage license, eight dollars, (this fee includes taking necessary affidavits, filing returns, indexing, and transmittal of a record of the marriage to the state registrar of vital statistics) plus an additional five dollar fee for use and support of the prevention of child abuse and neglect activities to be transmitted monthly to the state treasurer and deposited in the state general fund plus an additional ten dollar fee to be transmitted monthly to the state treasurer and deposited in the state general fund. The legislature intends to appropriate an amount at least equal to the revenue generated by this fee for the purposes of the displaced homemaker act, chapter 28B.04 RCW;
 - (6) For searching records per hour, eight dollars;
- (7) For recording plats, fifty cents for each lot except cemetery plats for which the charge shall be twenty-five cents per lot; also one dollar for each acknowledgment, dedication, and description: PROVIDED, That there shall be a minimum fee of twenty-five dollars per plat;
- (8) For recording of miscellaneous records not listed above, for the first page eight and one-half by fourteen inches or less, five dollars; for each additional page eight and one-half by fourteen inches or less, one dollar;
- (9) For modernization and improvement of the recording and indexing system, a surcharge as provided in RCW 36.22.170;
- (10) For recording an emergency nonstandard document as provided in RCW 65.04.047, fifty dollars, in addition to all other applicable recording fees;
- (11) For recording instruments, a ((two-dollar)) three dollar surcharge to be deposited into the Washington state heritage center account created in RCW 43.07.129;
- (12) For recording instruments, a surcharge as provided in RCW 36.22.178; and
- (13) For recording instruments, except for documents recording a birth, marriage, divorce, or death or any documents otherwise exempted from a recording fee under state law, a surcharge as provided in RCW 36.22.179.

Passed by the House June 29, 2015. Passed by the Senate June 29, 2015.

Approved by the Governor July 6, 2015.

Filed in Office of Secretary of State July 7, 2015.

CHAPTER 29

[Engrossed House Bill 2267]

EDUCATION FUNDING--STATE EXPENDITURE LIMIT--SUSPENSION

AN ACT Relating to temporarily suspending the state expenditure limit in order to implement the state's Article IX obligation to amply fund basic education; amending RCW 43.135.010 and 43.135.025; creating new sections; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that under the state supreme court's decision and subsequent orders in *McCleary v. State*, the state has an Article IX constitutional obligation to make significant enhancements to the program of basic education over the next biennia. The legislature further finds that the state expenditure limit was first enacted in 1993 as part of Initiative Measure No. 601, and that Washington has undergone many changes in the intervening years, including a recession during which state general fund revenues and expenditures actually declined despite population growth and increased demands for public services. Finally, the legislature finds that the new state requirements for a four-year balanced budget and budget outlook process provide a better tool for balancing and controlling the state budget while fulfilling constitutional requirements than does the state expenditure limit process. For these reasons, during the biennia in which the legislature is phasing in its Article IX obligations and for the ensuing biennium, the legislature is temporarily suspending the state expenditure limit.

Sec. 2. RCW 43.135.010 and 2005 c 72 s 3 are each amended to read as follows:

The people of the state of Washington hereby find and declare:

- (1) The continuing increases in our state tax burden and the corresponding growth of state government is contrary to the interest of the people of the state of Washington.
- (2) It is necessary to limit the rate of growth of state government while assuring adequate funding of essential services, ((including)) and ample funding of basic education as defined by the legislature in chapter 548, Laws of 2009 and chapter 236, Laws of 2010 and as required by the state supreme court opinion and subsequent orders in *McCleary v. State*.
- (3) The current budgetary system in the state of Washington lacks stability. The system encourages crisis budgeting and results in cutbacks during lean years and overspending during surplus years.
 - (4) It is therefore the intent of this chapter to:
- (a) Establish a limit on state expenditures that will assure that the growth rate of state expenditures does not exceed the growth rate in Washington personal income once the state has fully implemented its Article IX funding obligations;
- (b) Assure that local governments are provided funds adequate to render those services deemed essential by their citizens;
- (c) Assure that the state does not impose responsibility on local governments for new programs or increased levels of service under existing programs unless the costs thereof are paid by the state;
- (d) Provide for adjustment of the limit when costs of a program are transferred between the state and another political entity;
 - (e) Establish a procedure for exceeding this limit in emergency situations;
 - (f) Provide for voter approval of tax increases; and
- (g) Avoid overfunding and underfunding state programs by providing stability, consistency, and long-range planning.
- **Sec. 3.** RCW 43.135.025 and 2009 c 479 s 35 are each amended to read as follows:

- (1) <u>Beginning July 1, 2021, the state shall not expend from the general fund during any fiscal year state moneys in excess of the state expenditure limit established under this chapter.</u>
- (2) Except pursuant to ((a declaration of emergency under RCW 43.135.035 or pursuant to)) an appropriation under RCW 43.135.045(2), the state treasurer shall not issue or redeem any check, warrant, or voucher that will result in a state general fund expenditure for any fiscal year in excess of the state expenditure limit established under this chapter. A violation of this subsection constitutes a violation of RCW 43.88.290 and shall subject the state treasurer to the penalties provided in RCW 43.88.300.
- (3) The state expenditure limit for any fiscal year shall be the previous fiscal year's state expenditure limit increased by a percentage rate that equals the fiscal growth factor.
- (4) For purposes of computing the state expenditure limit for the fiscal year beginning July 1, ((2009)) 2021, the phrase "the previous fiscal year's state expenditure limit" means the total state expenditures from the state general fund((, the public safety and education account, the health services account, the violence reduction and drug enforcement account, the student achievement fund, the water quality account, and the equal justice subaccount, not including federal funds,)) for the fiscal year beginning July 1, ((2008)) 2020, plus the fiscal growth factor.
- (5) A state expenditure limit committee is established for the purpose of determining and adjusting the state expenditure limit as provided in this chapter. The members of the state expenditure limit committee are the director of financial management, the attorney general or the attorney general's designee, and the chairs and ranking minority members of the senate committee on ways and means and the house of representatives committee on ways and means. All actions of the state expenditure limit committee taken pursuant to this chapter require an affirmative vote of at least four members.
- (6) Each November, the state expenditure limit committee shall adjust the expenditure limit for the preceding fiscal year based on actual expenditures and known changes in the fiscal growth factor and then project an expenditure limit for the next two fiscal years. If, by November 30th, the state expenditure limit committee has not adopted the expenditure limit adjustment and projected expenditure limit as provided in subsection (5) of this section, the attorney general or his or her designee shall adjust or project the expenditure limit, as necessary.
- (7) "Fiscal growth factor" means the average growth in state personal income for the prior ten fiscal years.
 - (8) "General fund" means the state general fund.

<u>NEW SECTION.</u> **Sec. 4.** The economic and revenue forecast council, in consultation with the state expenditure limit committee, shall prepare draft legislation for introduction in the 2016 legislative session that revises the state expenditure limit to synchronize the requirements of this chapter with the four-year balanced budget requirement under RCW 43.88.060 and the state budget outlook under RCW 82.33.060.

<u>NEW SECTION.</u> **Sec. 5.** 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.

Passed by the House June 28, 2015.
Passed by the Senate June 30, 2015.
Approved by the Governor July 6, 2015.
Filed in Office of Secretary of State July 7, 2015.

CHAPTER 30

[Substitute Senate Bill 5186]

PROPERTY TAXES--EXEMPTIONS--SENIOR CITIZENS, PERSONS WITH DISABILITIES, AND VETERANS

AN ACT Relating to property tax exemptions for service-connected disabled veterans and senior citizens; amending RCW 84.36.381 and 84.38.030; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** This section is the tax preference performance statement for the tax preference contained in section 2 of this act. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

- (1) The legislature categorizes this tax preference as one intended to provide tax relief for certain businesses or individuals, as indicated in RCW 82.32.808(2)(e).
- (2) It is the legislature's specific public policy objective to provide tax relief to senior citizens, disabled persons, and veterans. The legislature recognizes that property taxes impose a substantial financial burden on those with fixed incomes and that property tax relief programs have considerable value in addressing this burden. It is the legislature's intent to increase the current statutory static income thresholds which were last modified in 2004.
- (3) The expansion of the items allowed to be deducted is meant to be permanent and, therefore, not subject to the ten-year expiration provision in RCW 82.32.805(1)(a).
- Sec. 2. RCW 84.36.381 and 2012 c 10 s 73 are each amended to read as follows:

A person is exempt from any legal obligation to pay all or a portion of the amount of excess and regular real property taxes due and payable in the year following the year in which a claim is filed, and thereafter, in accordance with the following:

- (1) The property taxes must have been imposed upon a residence which was occupied by the person claiming the exemption as a principal place of residence as of the time of filing. However, any person who sells, transfers, or is displaced from his or her residence may transfer his or her exemption status to a replacement residence, but no claimant may receive an exemption on more than one residence in any year. Moreover, confinement of the person to a hospital, nursing home, assisted living facility, or adult family home does not disqualify the claim of exemption if:
 - (a) The residence is temporarily unoccupied;

- (b) The residence is occupied by a spouse or a domestic partner and/or a person financially dependent on the claimant for support; or
- (c) The residence is rented for the purpose of paying nursing home, hospital, assisted living facility, or adult family home costs;
- (2) The person claiming the exemption must have owned, at the time of filing, in fee, as a life estate, or by contract purchase, the residence on which the property taxes have been imposed or if the person claiming the exemption lives in a cooperative housing association, corporation, or partnership, such person must own a share therein representing the unit or portion of the structure in which he or she resides. For purposes of this subsection, a residence owned by a marital community or state registered domestic partnership or owned by cotenants is deemed to be owned by each spouse or each domestic partner or each cotenant, and any lease for life is deemed a life estate;
 - (3)(a) The person claiming the exemption must be:
- (i) Sixty-one years of age or older on December 31st of the year in which the exemption claim is filed, or must have been, at the time of filing, retired from regular gainful employment by reason of disability; or
- (ii) A veteran of the armed forces of the United States entitled to and receiving compensation from the United States department of veterans affairs at a total disability rating for a service-connected disability.
- (b) However, any surviving spouse or surviving domestic partner of a person who was receiving an exemption at the time of the person's death will qualify if the surviving spouse or surviving domestic partner is fifty-seven years of age or older and otherwise meets the requirements of this section;
- (4) The amount that the person is exempt from an obligation to pay is calculated on the basis of combined disposable income, as defined in RCW 84.36.383. If the person claiming the exemption was retired for two months or more of the assessment year, the combined disposable income of such person must be calculated by multiplying the average monthly combined disposable income of such person during the months such person was retired by twelve. If the income of the person claiming exemption is reduced for two or more months of the assessment year by reason of the death of the person's spouse or the person's domestic partner, or when other substantial changes occur in disposable income that are likely to continue for an indefinite period of time, the combined disposable income of such person must be calculated by multiplying the average monthly combined disposable income of such person after such occurrences by twelve. If it is necessary to estimate income to comply with this subsection, the assessor may require confirming documentation of such income prior to May 31 of the year following application;
- (5)(a) A person who otherwise qualifies under this section and has a combined disposable income of ((thirty-five)) forty thousand dollars or less is exempt from all excess property taxes; and
- (b)(i) A person who otherwise qualifies under this section and has a combined disposable income of ((thirty)) thirty-five thousand dollars or less but greater than ((twenty-five)) thirty thousand dollars is exempt from all regular property taxes on the greater of fifty thousand dollars or thirty-five percent of the valuation of his or her residence, but not to exceed seventy thousand dollars of the valuation of his or her residence; or

- (ii) A person who otherwise qualifies under this section and has a combined disposable income of ((twenty-five)) thirty thousand dollars or less is exempt from all regular property taxes on the greater of sixty thousand dollars or sixty percent of the valuation of his or her residence;
- (6)(a) For a person who otherwise qualifies under this section and has a combined disposable income of ((thirty-five)) forty thousand dollars or less, the valuation of the residence is the assessed value of the residence on the later of January 1, 1995, or January 1st of the assessment year the person first qualifies under this section. If the person subsequently fails to qualify under this section only for one year because of high income, this same valuation must be used upon requalification. If the person fails to qualify for more than one year in succession because of high income or fails to qualify for any other reason, the valuation upon requalification is the assessed value on January 1st of the assessment year in which the person requalifies. If the person transfers the exemption under this section to a different residence, the valuation of the different residence is the assessed value of the different residence on January 1st of the assessment year in which the person transfers the exemption.
- (b) In no event may the valuation under this subsection be greater than the true and fair value of the residence on January 1st of the assessment year.
- (c) This subsection does not apply to subsequent improvements to the property in the year in which the improvements are made. Subsequent improvements to the property must be added to the value otherwise determined under this subsection at their true and fair value in the year in which they are made.
- Sec. 3. RCW 84.38.030 and 2008 c 6 s 702 are each amended to read as follows:

A claimant may defer payment of special assessments and/or real property taxes on up to eighty percent of the amount of the claimant's equity value in the claimant's residence if the following conditions are met:

- (1) The claimant must meet all requirements for an exemption for the residence under RCW 84.36.381, other than the age and income limits under RCW 84.36.381.
- (2) The claimant must be sixty years of age or older on December 31st of the year in which the deferral claim is filed, or must have been, at the time of filing, retired from regular gainful employment by reason of physical disability((: PROVIDED, That)). However, any surviving spouse or surviving domestic partner of a person who was receiving a deferral at the time of the person's death shall qualify if the surviving spouse or surviving domestic partner is fifty-seven years of age or older and otherwise meets the requirements of this section.
- (3) The claimant must have a combined disposable income, as defined in RCW 84.36.383, of ((forty)) forty-five thousand dollars or less.
- (4) The claimant must have owned, at the time of filing, the residence on which the special assessment and/or real property taxes have been imposed. For purposes of this subsection, a residence owned by a marital community, owned by domestic partners, or owned by cotenants shall be deemed to be owned by each spouse, each domestic partner, or each cotenant. A claimant who has only a share ownership in cooperative housing, a life estate, a lease for life, or a revocable trust does not satisfy the ownership requirement.

- (5) The claimant must have and keep in force fire and casualty insurance in sufficient amount to protect the interest of the state in the claimant's equity value: PROVIDED, That if the claimant fails to keep fire and casualty insurance in force to the extent of the state's interest in the claimant's equity value, the amount deferred shall not exceed one hundred percent of the claimant's equity value in the land or lot only.
- (6) In the case of special assessment deferral, the claimant must have opted for payment of such special assessments on the installment method if such method was available.

<u>NEW SECTION.</u> **Sec. 4.** This act applies to taxes levied for collection in 2016 and thereafter.

Passed by the Senate June 28, 2015. Passed by the House June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 31

[Engrossed Substitute Senate Bill 5681] STATE LOTTERY ACCOUNTS

AN ACT Relating to state lottery accounts; and amending RCW 67.70.190, 67.70.240, and 67.70.260.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 67.70.190 and 2013 2nd sp.s. c 4 s 987 are each amended to read as follows:

Unclaimed prizes shall be retained in the state lottery account for the person entitled thereto for one hundred eighty days after the drawing in which the prize is won, or after the official end of the game for instant prizes. If no claim is made for the prize within this time, all rights to the prize shall be extinguished, and the prize shall be retained in the state lottery fund for further use as prizes, except that one-third of all unclaimed prize money shall be deposited in the economic development strategic reserve account created in RCW 43.330.250. On June 30th of each fiscal year, any balance of unclaimed prizes in excess of ten million dollars must be transferred to the Washington opportunity pathways account created in RCW 28B.76.526.

((On July 1, 2009, June 30, 2010, and June 30, 2011, all unclaimed prize money retained in the state lottery account in excess of three million dollars, excluding amounts distributed to the economic development strategic reserve account, shall be transferred into the state general fund.))

During the 2013-2015 fiscal biennium, the legislature may transfer to the education legacy trust account such amounts as reflect the excess fund balance in the state lottery account from unclaimed prizes.

- Sec. 2. RCW 67.70.240 and 2013 c 136 s 1 are each amended to read as follows:
 - (1) The moneys in the state lottery account may be used only:
- (a) For the payment of prizes to the holders of winning lottery tickets or shares;

- (b) For purposes of making deposits into the reserve account created by RCW 67.70.250 and into the lottery administrative account created by RCW 67.70.260;
- (c) For purposes of making deposits into the Washington opportunity pathways account created in RCW 28B.76.526. Moneys in the state lottery account deposited in the Washington opportunity pathways account are included in "general state revenues" under RCW 39.42.070;
- (d) For distribution to the stadium and exhibition center account, created in RCW 43.99N.060. Subject to the conditions of RCW 43.99N.070, six million dollars must be distributed under this subsection during the calendar year 1998. During subsequent years, such distribution must equal the prior year's distributions increased by four percent. No distribution may be made under this subsection after December 31, 1999, unless the conditions for issuance of the bonds under RCW 43.99N.020(2) are met. Distributions under this subsection must cease when the bonds are retired, but not later than December 31, 2020;
- (e) For the purchase and promotion of lottery games and game-related services; ((and))
 - (f) For the payment of agent compensation; and
- (g) For distribution to the gambling revolving fund, created in RCW 9.46.100, in amounts specified in the omnibus appropriations act. To meet the cash flow needs of both agencies, the director of the state lottery and the director of the Washington state gambling commission may determine the timing of the distribution, which may include incremental distributions over the course of the fiscal year.
- (2) The office of financial management shall require the allotment of all expenses paid from the account and shall report to the ways and means committees of the senate and house of representatives any changes in the allotments.
- **Sec. 3.** RCW 67.70.260 and 2014 c 221 s 921 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 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 of the lottery revenues conducted by the economic and revenue forecast of the lottery revenues conducted by the economic and revenue forecast council.

Passed by the Senate June 28, 2015. Passed by the House June 29, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 32

[Engrossed Senate Bill 6013]

USE TAXES--TAX PREFERENCES--CHARITABLE ACTIVITIES

AN ACT Relating to providing use tax relief for individuals who support charitable activities; amending RCW 82.12.225; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** (1) This section is the tax preference performance statement for the tax preference in section 2 of this act. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

- (2) The legislature categorizes this tax preference as one intended to accomplish a general purpose as indicated in RCW 82.32.808(2)(f).
- (3) It is the legislature's specific public policy objective to provide use tax relief for individuals who support charitable activities by purchasing or winning articles of personal property from a nonprofit organization or library when the personal property is sales tax exempt.
- (4) To measure the effectiveness of the exemption provided in this act in achieving the specific public policy objective described in (3) of this section, the joint legislative audit and review committee must evaluate this tax preference.
- Sec. 2. RCW 82.12.225 and 2013 2nd sp.s. c 13 s 1402 are each amended to read as follows:
- (1) The provisions of this chapter do not apply in respect to the use of any article of personal property, valued at less than ((ten)) twelve thousand dollars, purchased or received as a prize in a contest of chance, as defined in RCW 82.04.285, from a nonprofit organization or a library, if the gross income the nonprofit organization or library receives from the sale is exempt under RCW 82.04.3651.
 - (2) This section expires July 1, ((2017)) 2020.

Passed by the Senate June 28, 2015.

Passed by the House June 30, 2015.

Approved by the Governor July 6, 2015.

Filed in Office of Secretary of State July 7, 2015.

CHAPTER 33

[Second Engrossed Senate Bill 6089]

HEALTH BENEFIT EXCHANGE--PLANNING AND REPORTS

AN ACT Relating to the health benefit exchange; amending RCW 43.71.030, 43.71.090, and 48.43.039; and adding a new section to chapter 43.71 RCW.

Be it enacted by the Legislature of the State of Washington:

- Sec. 1. RCW 43.71.030 and 2012 c 87 s 4 are each amended to read as follows:
- (1) The exchange may, consistent with the purposes of this chapter: (a) Sue and be sued in its own name; (b) make and execute agreements, contracts, and other instruments, with any public or private person or entity; (c) employ, contract with, or engage personnel; (d) pay administrative costs; (e) accept

grants, donations, loans of funds, and contributions in money, services, materials or otherwise, from the United States or any of its agencies, from the state of Washington and its agencies or from any other source, and use or expend those moneys, services, materials, or other contributions; (f) aggregate or delegate the aggregation of funds that comprise the premium for a health plan; and (g) complete other duties necessary to begin open enrollment in qualified health plans through the exchange beginning October 1, 2013.

- (2) The board shall develop a methodology to ensure the exchange is self-sustaining after December 31, 2014. The board shall seek input from health carriers to develop funding mechanisms that fairly and equitably apportion among carriers the reasonable administrative costs and expenses incurred to implement the provisions of this chapter. The board shall submit its recommendations to the legislature by December 1, 2012. If the legislature does not enact legislation during the 2013 regular session to modify or reject the board's recommendations, the board may proceed with implementation of the recommendations.
- (3) The board shall establish policies that permit city and county governments, Indian tribes, tribal organizations, urban Indian organizations, private foundations, and other entities to pay premiums on behalf of qualified individuals.
- (4) The employees of the exchange may participate in the public employees' retirement system under chapter 41.40 RCW and the public employees' benefits board under chapter 41.05 RCW.
- (5) Qualified employers may access coverage for their employees through the exchange for small groups under section 1311 of P.L. 111-148 of 2010, as amended. The exchange shall enable any qualified employer to specify a level of coverage so that any of its employees may enroll in any qualified health plan offered through the small group exchange at the specified level of coverage.
- (6) The exchange shall report its activities and status to the governor and the legislature as requested, and no less often than annually.
- (7) By January 1, 2016, the exchange must submit to the legislature, the governor's office, and the board a five-year spending plan that identifies potential reductions in exchange per member per month spending below the per member per month levels based on a calculation from the 2015-2017 biennium appropriation. The report must identify specific reductions in spending in the following areas: Call center, information technology, and staffing. The exchange must provide annual updates on the reduction identified in the spending plan.
- (8) By January 1, 2016, the exchange must develop metrics, with actuarial support and input from the health care authority, office of insurance commissioner, office of financial management, and other relevant agencies, that capture current spending levels that include a per member per month metric; establish five-year benchmarks for spending reductions; monitor ongoing progress toward achieving those benchmarks; and post progress to date toward achieving the established benchmark on the exchange public corporate web site. Quarterly updates must be provided to relevant legislative committees and the board.
- (9) For biennia following 2015-2017, the exchange must include additional detail capturing the annual cost of operating the exchange, per qualified health plan enrollee and apple health enrollee per month, as calculated by dividing

funds allocated for the exchange over the 2015-2017 biennium by the number of enrollees in both qualified health plans and apple health during the year. The data must be tracked and reported to the legislature and the board on an annual basis.

- (10)(a) The exchange shall prepare and annually update a strategic plan for the development, maintenance, and improvement of exchange operations for the purpose of assisting the exchange in establishing priorities to better serve the needs of its specific constituency and the public in general. The strategic plan is the exchange's process for defining its methodology for achieving optimal outcomes, for complying with applicable state and federal statutes, rules, regulations, and mandatory policies, and for guaranteeing an appropriate level of transparency in its dealings. The strategic plan must include, but is not limited to:
- (i) Comprehensive five-year and ten-year plans for the exchange's direction with clearly defined outcomes and goals;
 - (ii) Concrete plans for achieving or surpassing desired outcomes and goals;
 - (iii) Strategy for achieving enrollment and reenrollment targets;
 - (iv) Detailed stakeholder and external communication plans;
- (v) Identification of funding sources, and a plan for how it will fund and allocate resources to pursue desired goals and outcomes; and
 - (vi) A detailed report including:
- (A) Salaries of all current employees of the exchange, including starting salary, any increases received, and the basis for any increases;
 - (B) Salary, overtime, and compensation policies for staff of the exchange;
 - (C) A report of all expenses;
 - (D) Beginning and ending fund balances, by fund source;
 - (E) Any contracts or contract amendments signed by the exchange; and
- (F) An accounting of staff required to operate the exchange broken out by full-time equivalent positions, contracted employees, temporary staff, and any other relevant designation that indicates the staffing level of the exchange.
- (b) The strategic plan and its updates must be submitted to the authority, the appropriate committees of the legislature, and the board by September 30th of each year beginning September 30, 2015; the report of expenses for items identified in (a)(vi)(C) through (F) of this subsection must be submitted to the appropriate committees of the legislature and the board on a quarterly basis.

<u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 43.71 RCW to read as follows:

As part of eligibility verification responsibilities, the exchange shall verify that a person seeking to enroll in a qualified health plan or qualified dental plan during a special enrollment period has experienced a qualifying event as established by the office of the insurance commissioner and shall require reasonable proof or documentation of the qualifying event.

- Sec. 3. RCW 43.71.090 and 2014 c 84 s 1 are each amended to read as follows:
- (1) The exchange must support the grace period by providing electronic information to an issuer of a qualified health plan or a qualified dental plan that complies with 45 C.F.R. Sec. 156.270 (2013) and 45 C.F.R. Sec. 155.430 (2013).

- (2) If the health benefit exchange notifies an enrollee that he or she is delinquent on payment of premium, the notice must include information on how to report a change in income or circumstances and an explanation that such a report may result in a change in the premium amount or program eligibility.
- (3) The exchange shall perform eligibility checks on enrollees who are in the grace period to determine eligibility for medicaid. The exchange, in collaboration with the health care authority, shall conduct outreach to eligible individuals with information regarding medicaid.
- Sec. 4. RCW 48.43.039 and 2014 c 84 s 3 are each amended to read as follows:
- (1) For an enrollee who is in the second or third month of the grace period, an issuer of a qualified health plan shall:
- (a) Upon request by a health care provider or health care facility, provide information regarding the enrollee's eligibility status in real-time; ((and))
- (b) Notify a health care provider or health care facility that an enrollee is in the grace period within three business days after submittal of a claim or status request for services provided; and
- (c) If the health care provider or health care facility is providing care to an enrollee in the grace period, the provider or facility shall, wherever possible, encourage the enrollee to pay delinquent premiums to the issuer and provide information regarding the impact of nonpayment of premiums on access to services.
- (2) The information or notification required under subsection (1) of this section must, at a minimum:
- (a) Indicate "grace period" or use the appropriate national coding standard as the reason for pending the claim if a claim is pended due to the enrollee's grace period status; and
- (b) Except for notifications provided electronically, indicate that enrollee is in the second or third month of the grace period.
- (3) No earlier than January 1, 2016, and once the exchange has terminated premium aggregation functionality for qualified health plans offered in the individual exchange and issuers are accepting all payments from enrollees directly, an issuer of a qualified health plan shall:
- (a) For an enrollee in the grace period, include a statement in a delinquency notice that concisely explains the impact of nonpayment of premiums on access to coverage and health care services and encourages the enrollee to contact the issuer regarding coverage options that may be available; and
- (b) For an enrollee who has exhausted the grace period, include a statement in a termination notice for nonpayment of premium informing the enrollee that other coverage options such as medicaid may be available and to contact the issuer or the exchange for additional information;
- (c) For a delinquency notice described in this subsection, the issuer shall include concise information on how a subsidized enrollee may report to the exchange a change in income or circumstances, including any deadline for doing so, and an explanation that it may result in a change in premium or cost-sharing amount or program eligibility.
- (4) By December 1, 2014, and annually each December 1st thereafter, the health benefit exchange shall provide a report to the appropriate committees of the legislature with the following information for the calendar year: (a) The

number of exchange enrollees who entered the grace period; (b) the number of enrollees who subsequently paid premium after entering the grace period; (c) the average number of days enrollees were in the grace period prior to paying premium; and (d) the number of enrollees who were in the grace period and whose coverage was terminated due to nonpayment of premium. The report must include as much data as is available for the calendar year.

- (((4))) (5) Upon the transfer of premium collection to the qualified health plan, each qualified health plan must provide detailed reports to the exchange to support the legislative reporting requirements.
- (6) For purposes of this section, "grace period" means nonpayment of premiums by an enrollee receiving advance payments of the premium tax credit, as defined in section 1412 of the patient protection and affordable care act, P.L. 111-148, as amended by the health care and education reconciliation act, P.L. 111-152, and implementing regulations issued by the federal department of health and human services.

Passed by the Senate June 28, 2015.
Passed by the House June 29, 2015.
Approved by the Governor July 6, 2015.
Filed in Office of Secretary of State July 7, 2015.

CHAPTER 34

[Engrossed Substitute Senate Bill 6096] CANCER RESEARCH

AN ACT Relating to cancer research; adding a new chapter to Title 43 RCW; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** FINDINGS AND INTENT. (1) The legislature finds the following:

- (a) Washington has an existing infrastructure of world-class cancer research and care centers for children and adults that can develop and apply new techniques for the prevention of cancer and care of cancer patients throughout Washington;
- (b) Sustained investment in cancer research, prevention, and care is critical to reducing long-term health costs, saving lives, and relieving pain and suffering;
- (c) Promoting the health of state residents is a fundamental public purpose and governmental function. Action to promote cancer research and prevention to improve the quality of life of the people of Washington is consistent with this fundamental public purpose; and
- (d) Additional public resources dedicated exclusively to cancer research will provide sustained investment in cancer research to the benefit of the people of Washington.
 - (2) It is the intent of the legislature in enacting this act to:
- (a) Optimize the use of public funds by giving priority to research utilizing the best science and technology with the greatest potential to improve health outcomes;

- (b) Increase the value of our public investments by leveraging our state's existing cancer research facilities and talent, as well as clinical and therapeutic resources:
- (c) Incentivize additional investment by requiring private or other nonstate resources to match public funds;
- (d) Protect and benefit Washington taxpayers by funding proposals for cancer research that are reviewed by an independent scientific panel;
- (e) Require fiscal and public accountability through independent audits, open public meetings and hearings, and annual reports to the public; and
- (f) Create jobs and encourage investments that will generate new tax revenues in our state, and advance the biotech, medical device, and health care information technology industries in Washington.

<u>NEW SECTION.</u> **Sec. 2.** DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Authority" means the cancer research endowment authority created in this chapter.
 - (2) "Board" means the governing board of the authority.
 - (3) "Cancer" means a group of diseases involving unregulated cell growth.
- (4) "Cancer patient advocacy organizations" means groups with offices in the state that promote cancer prevention and advocate on behalf of cancer patients.
- (5) "Cancer research" means advanced and applied research and development relating to the causes, prevention, and diagnosis of cancer and care of cancer patients including the development of tests, genetic analysis, medications, processes, services, and technologies to optimize cancer therapies and their manufacture and commercialization and includes the costs of recruiting scientists and establishing and equipping research facilities.
- (6) "CARE fund" or "fund" means the cancer research endowment fund created in section 7(1)(b) of this act.
- (7) "Commercial entity" means a for-profit entity located in the state that develops, manufactures, or sells goods or services relating to cancer prevention or care.
- (8) "Committee" means an independent expert scientific review and advisory committee established under section 6 of this act.
- (9) "Contribution agreement" means any agreement authorized under this chapter in which a private entity or a public entity other than the state agrees to provide to the authority contributions for the purpose of cancer research, prevention, or care.
- (10) "Costs" means the costs and expenses associated with the conduct of research, prevention, and care including, but not limited to, the cost of recruiting and compensating personnel, securing and financing facilities and equipment, and conducting clinical trials.
 - (11) "Department" means the department of commerce.
- (12) "Health care delivery system" means hospitals and clinics providing care to patients in the state.
- (13) "Life sciences research" means advanced and applied research and development intended to improve human health, including scientific study of the developing brain and human learning and development, and other areas of scientific research and development vital to the state's economy.

- (14) "Prevention" means measures to prevent the development and progression of cancer, including education, vaccinations, and screening processes and technologies, and to reduce the risk of cancer.
- (15) "Program" means the cancer research endowment program created in section 5 of this act.
- (16) "Program administrator" means a private nonprofit corporation qualified as a tax-exempt entity under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code, with expertise in conducting or managing research granting activities, funds, or organizations.
- <u>NEW SECTION.</u> **Sec. 3.** CANCER RESEARCH ENDOWMENT AUTHORITY. (1) The cancer research endowment authority is created. The powers of the authority are vested in and must be exercised by a board. The board consists of thirteen members appointed by the governor:
- (a) Two members must be appointed from nominations submitted by the presidents of the University of Washington and Washington State University;
- (b) Two members must be appointed from nominations submitted by the Fred Hutchinson cancer research center, Seattle cancer care alliance, and the Seattle children's research institute;
- (c) Two members must be appointed from nominations submitted by patient advocacy organizations;
- (d) Two members must be appointed from nominations submitted by representatives of businesses or industries engaged in the commercialization of life sciences research or cancer research;
- (e) One member must be appointed from a list of at least three nominated by the speaker of the house of representatives;
- (f) One member must be appointed from a list of at least three nominated by the president of the senate;
- (g) One member must be appointed from nominations submitted by entities or systems that provide health care delivery services;
- (h) One member from nominations provided by private sector donors to the fund. However, the governor may reject all nominations and request a new list from which the governor must select the member; and
 - (i) The remaining member must be a member of the public.
- (2) In soliciting nominations and appointing members, the governor must seek to identify individuals from throughout the state having relevant knowledge, experience, and expertise with regard to (a) cancer research, prevention, and care; (b) health care consumer issues; (c) government finance and budget; and (d) the commercialization of life sciences or cancer research. In soliciting nominations and appointing members, the governor must seek individuals who will contribute to the geographic diversity of the board, with the goal that at least five board members be from counties with a population less than one million persons. Appointments must be made on or before July 1, 2016.
- (3) The term of a member is four years from the date of their appointment except the initial term of the members in subsection (1)(d) through (i) of this section must be two years to create a staggered appointment process. A member may be appointed to not more than two full consecutive terms. A member appointed by the governor may be removed by the governor for cause under RCW 43.06.070 and 43.06.080. The members may not be compensated but may

be reimbursed, solely from the fund, for expenses incurred in the discharge of their duties under this chapter.

- (4) Seven members of the board constitute a quorum.
- (5) The members must elect a chair, treasurer, and secretary annually, and other officers as the members determine necessary, and may adopt bylaws or rules for their own government.
- (6) Meetings of the board must be held in accordance with the open public meetings act, chapter 42.30 RCW, and at the call of the chair or when a majority of the members so requests. Meetings of the board may be held at any location within or out of the state, and members may participate in a meeting of the board by means of a conference telephone or similar communication equipment under RCW 23B.08.200.

<u>NEW SECTION.</u> **Sec. 4.** AUTHORITY—GENERAL POWERS. The authority has all the general powers necessary to carry out its purposes and duties and to exercise its specific powers. In addition to other powers specified in this chapter, the authority may:

- (1) Sue and be sued in its own name;
- (2) Make and execute agreements, contracts, and other instruments, with any public or private person or entity, including commercial entities, in accordance with this chapter;
- (3) Employ, contract with, or engage independent counsel, financial advisors, auditors, other technical or professional assistants, and such other personnel as are necessary or desirable to implement this chapter;
- (4) Exercise any other power reasonably required to implement the purposes of this chapter; and
- (5) Delegate any of its powers and duties if consistent with the purposes of this chapter.

<u>NEW SECTION</u>. **Sec. 5.** CANCER RESEARCH ENDOWMENT PROGRAM. (1) The cancer research endowment program is created. The purpose of the program is to make grants to public and private entities, including commercial entities, to fund or reimburse the entities pursuant to agreement for the promotion of cancer research to be conducted in the state. The authority is to oversee and guide the program, including the solicitation, selection, and award of grants.

- (2) The board must develop a plan for the allocation of projected amounts in the CARE fund, which it must update annually, following at least one annual public hearing. The plan must provide for appropriate funding continuity and take into account the projected speed at which revenues will be available and amounts that can be spent during the plan period.
- (3) The authority must solicit requests for grant funding and evaluate the requests by reference to factors such as: (a) The quality of the proposed research or program; (b) its potential to improve health outcomes of persons with cancer, with particular attention to the likelihood that it will also lower health care costs, substitute for a more costly diagnostic or treatment modality, or offer a breakthrough treatment for a particular cancer or cancer-related condition or disease; (c) its potential for leveraging additional funding; (d) its potential to provide additional health care benefits or benefit other human diseases or conditions; (e) its potential to stimulate life science, health care, and biomedical

employment in the state; (f) the geographic diversity of the grantees within Washington; (g) evidence of potential royalty, sales, or licensing revenue, or other commercialization-related revenue and contractual means to recapture such income for purposes of this chapter; and (h) evidence of public and private collaboration.

- (4) The authority may not award a grant for a proposal that was not recommended by an independent expert scientific review and advisory committee under section 6 of this act.
- (5) The authority must issue an annual report to the public that sets forth its activities with respect to the CARE fund, including grants awarded, grantfunded work in progress, research accomplishments, prevention, and care activities, and future program directions with respect to cancer research, prevention, and care. Each annual report regarding activities of the cancer research endowment program and CARE fund must include, but not be limited to, the following: The number and dollar amounts of grants; the grantees for the prior year; the authority's administrative expenses; an assessment of the availability of funding for cancer research, prevention, and care from sources other than the authority; a summary of research, prevention, and care-related findings, including promising new areas for investment; and a report on the benefits to Washington of its programs to date.
- (6) The authority's first annual report must include a proposed operating plan for the design, implementation, and administration of an endowment program supporting the purposes of the authority and program.
- (7) The authority must adopt policies to ensure that all potential conflicts have been disclosed and that all conflicts have been eliminated or mitigated.
- (8) The authority must establish standards to ensure that recipients of grants for cancer research, prevention, or care purchase goods and services from Washington suppliers to the extent reasonably possible.
- <u>NEW SECTION.</u> **Sec. 6.** INDEPENDENT EXPERT SCIENTIFIC REVIEW AND ADVISORY COMMITTEE. (1) In addition to any advisory boards the authority determines to establish, the authority must establish one or more independent expert scientific review and advisory committees for the purposes of evaluating grant proposals for cancer research and recommending grants to be made from the CARE fund; advising the authority during the development and review of its strategic plans for cancer research; and advising the authority on scientific and other matters in furtherance of the cancer research purposes of this act.
- (2) Each independent expert scientific review and advisory committee must consist of individuals with nationally recognized expertise in the scientific, clinical, ethical, commercial, and regulatory aspects of cancer research, prevention, and care. The board must appoint the members of the committee. Preliminary review of grant proposals may be made by a panel of such committee or an independent contractor chosen by the board upon recommendation of the committee, but all recommendations for grants to be made from the CARE fund may be made only upon majority vote of the committee.

- <u>NEW SECTION.</u> **Sec. 7.** PROGRAM ADMINISTRATOR. (1) The program administrator must provide services to the board and has the following duties and responsibilities:
- (a) Jointly with the board, solicit and receive gifts, grants, and bequests, and enter into contribution agreements with private entities and public entities, including commercial entities, in order to use those moneys to fund grants awarded by the authority;
- (b) Establish a cancer research endowment fund to be known as the CARE fund. The CARE fund must be a separate private account outside the state treasury into which grants and contributions received from public and private sources as well as state matching funds must be deposited, and from which funds for grants awarded by the authority must be disbursed. Once moneys in the cancer research endowment fund match transfer account are subject to an agreement under section 9(6) of this act and are deposited in the CARE fund under this section, the moneys in the CARE fund are not considered state money, common cash, or revenue to the state:
- (c) Manage the CARE fund, its obligations, and investments as to achieve the maximum possible rate of return on investment in the CARE fund;
- (d) Establish policies and procedures to facilitate the orderly process of grant application, review, selection, and notification; and
- (e) Distribute CARE funds to selected entities through grant agreements. Grant agreements must set forth the terms and conditions of the grant and must include, but not be limited to: (i) Deliverables to be provided by the recipient pursuant to the grant; (ii) the circumstances under which the grant amount would be required to be repaid or the circumstances under which royalty, sales, or licensing revenue, or other commercialization-related revenue would be required to be shared; and (iii) indemnification, dispute resolution, and any other terms and conditions as are customary for grant agreements or are deemed reasonable by the board. The program administrator may negotiate with any grantee the costs associated with performing scientific activities funded by grants.
- (2) Periodically, but not less often than every three years, the authority and the department must conduct a request for proposals and retain the services of an independent auditor with experience in performance auditing of research granting entities similar to the authority. The independent auditor must review the authority's strategic plan, program, and program administrator and publish a report assessing their performance and providing recommendations for improvement. The authority must hold at least one public hearing at which the results of each audit are presented and discussed.
- <u>NEW SECTION.</u> **Sec. 8.** CHARITABLE CONTRIBUTIONS. The program administrator may create additional legal entities and take such action as may be necessary or advisable to enable the CARE fund to accept charitable contributions. In addition, the program administrator may provide technical assistance, information, and training to private employers and other potential donors to establish programs that facilitate charitable contributions to the CARE fund including tobacco use premium surcharge programs.

NEW SECTION. Sec. 9. CANCER RESEARCH ENDOWMENT FUND MATCH TRANSFER ACCOUNT. (1) The cancer research endowment fund match transfer account is created in the custody of the state treasurer as a

nonappropriated account to be used solely and exclusively for the cancer research endowment program created in section 5 of this act. The purpose of the account is to provide matching funds for the CARE fund and administrative costs.

- (2) Revenues to the account must consist of deposits into the account, legislative appropriations, and any gifts, grants, or donations received by the department for this purpose.
- (3) The legislature must appropriate a state match, up to a maximum of ten million dollars annually, beginning July 1, 2016, and each July 1st following the end of the fiscal year from tax collections and penalties generated from enforcement of state taxes on cigarettes and other tobacco products by the state liquor and cannabis board or other federal, state or local law or tax enforcement agency, as determined by the department of revenue. Tax collections include any cigarette tax, other tobacco product tax, and retail sales and use tax.
- (4) Expenditures, in the form of matching funds, from the account may be made only upon receipt of proof from the program administrator of nonstate or private contributions to the CARE fund for the cancer research endowment program. Expenditures, in the form of matching funds, may not exceed the total amount of nonstate or private contributions.
- (5) Only the director of the department or the director's designee may authorize expenditures from the cancer research endowment fund match transfer account. Such authorization must be made as soon as practicable following receipt of proof as required under subsection (4) of this section.
- (6) The department must enter into an appropriate agreement with the program administrator to demonstrate exchange of consideration for the matching funds.

NEW SECTION. Sec. 10. This chapter expires July 1, 2025.

<u>NEW SECTION.</u> **Sec. 11.** Sections 1 through 10 of this act constitute a new chapter in Title 43 RCW.

Passed by the Senate June 29, 2015. Passed by the House June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 35

[Substitute Senate Bill 6134]

PRETRIAL SUPERVISION COSTS LIMITATIONS--EXEMPTION--ALCOHOL MONITORING PROGRAMS

AN ACT Relating to exempting pretrial electronic alcohol monitoring programs from statutory limitations on pretrial supervision costs; and amending RCW 10.01.160 and 46.61.50571.

Be it enacted by the Legislature of the State of Washington:

- Sec. 1. RCW 10.01.160 and 2010 c 54 s 1 are each amended to read as follows:
- (1) The court may require a defendant to pay costs. Costs may be imposed only upon a convicted defendant, except for costs imposed upon a defendant's entry into a deferred prosecution program, costs imposed upon a defendant for

pretrial supervision, or costs imposed upon a defendant for preparing and serving a warrant for failure to appear.

- (2) Costs shall be limited to expenses specially incurred by the state in prosecuting the defendant or in administering the deferred prosecution program under chapter 10.05 RCW or pretrial supervision. They cannot include expenses inherent in providing a constitutionally guaranteed jury trial or expenditures in connection with the maintenance and operation of government agencies that must be made by the public irrespective of specific violations of law. Expenses incurred for serving of warrants for failure to appear and jury fees under RCW 10.46.190 may be included in costs the court may require a defendant to pay. Costs for administering a deferred prosecution may not exceed two hundred fifty dollars. Costs for administering a pretrial supervision other than a pretrial electronic alcohol monitoring program, drug monitoring program, or 24/7 sobriety program may not exceed one hundred fifty dollars. Costs for preparing and serving a warrant for failure to appear may not exceed one hundred dollars. Costs of incarceration imposed on a defendant convicted of a misdemeanor or a gross misdemeanor may not exceed the actual cost of incarceration. In no case may the court require the offender to pay more than one hundred dollars per day for the cost of incarceration. Payment of other court-ordered financial obligations, including all legal financial obligations and costs of supervision take precedence over the payment of the cost of incarceration ordered by the court. All funds received from defendants for the cost of incarceration in the county or city jail must be remitted for criminal justice purposes to the county or city that is responsible for the defendant's jail costs. Costs imposed constitute a judgment against a defendant and survive a dismissal of the underlying action against the defendant. However, if the defendant is acquitted on the underlying action, the costs for preparing and serving a warrant for failure to appear do not survive the acquittal, and the judgment that such costs would otherwise constitute shall be vacated.
- (3) The court shall not order a defendant to pay costs unless the defendant is or will be able to pay them. In determining the amount and method of payment of costs, the court shall take account of the financial resources of the defendant and the nature of the burden that payment of costs will impose.
- (4) A defendant who has been ordered to pay costs and who is not in contumacious default in the payment thereof may at any time petition the sentencing court for remission of the payment of costs or of any unpaid portion thereof. If it appears to the satisfaction of the court that payment of the amount due will impose manifest hardship on the defendant or the defendant's immediate family, the court may remit all or part of the amount due in costs, or modify the method of payment under RCW 10.01.170.
- (5) Except for direct costs relating to evaluating and reporting to the court, prosecutor, or defense counsel regarding a defendant's competency to stand trial as provided in RCW 10.77.060, this section shall not apply to costs related to medical or mental health treatment or services a defendant receives while in custody of the secretary of the department of social and health services or other governmental units. This section shall not prevent the secretary of the department of social and health services or other governmental units from imposing liability and seeking reimbursement from a defendant committed to an appropriate facility as provided in RCW 10.77.084 while criminal proceedings

are stayed. This section shall also not prevent governmental units from imposing liability on defendants for costs related to providing medical or mental health treatment while the defendant is in the governmental unit's custody. Medical or mental health treatment and services a defendant receives at a state hospital or other facility are not a cost of prosecution and shall be recoverable under RCW 10.77.250 and 70.48.130, chapter 43.20B RCW, and any other applicable statute.

- Sec. 2. RCW 46.61.50571 and 2013 c 3 s 36 are each amended to read as follows:
- (1) A defendant who is charged with an offense involving driving while under the influence as defined in RCW 46.61.502, driving under age twenty-one after consuming alcohol or marijuana as defined in RCW 46.61.503, or being in physical control of a vehicle while under the influence as defined in RCW 46.61.504, shall be required to appear in person before a judicial officer within one judicial day after the arrest if the defendant is served with a citation or complaint at the time of the arrest. A court may by local court rule waive the requirement for appearance within one judicial day if it provides for the appearance at the earliest practicable day following arrest and establishes the method for identifying that day in the rule.
- (2) A defendant who is charged with an offense involving driving while under the influence as defined in RCW 46.61.502, driving under age twenty-one after consuming alcohol or marijuana as defined in RCW 46.61.503, or being in physical control of a vehicle while under the influence as defined in RCW 46.61.504, and who is not served with a citation or complaint at the time of the incident, shall appear in court for arraignment in person as soon as practicable, but in no event later than fourteen days after the next day on which court is in session following the issuance of the citation or the filing of the complaint or information.
- (3) At the time of an appearance required by this section, the court shall determine the necessity of imposing conditions of pretrial release according to the procedures established by court rule for a preliminary appearance or an arraignment.
- (4) Appearances required by this section are mandatory and may not be waived.
- (5) If electronic monitoring or alcohol abstinence monitoring is ordered, the court shall specify who shall provide the monitoring services, and the terms under which the monitoring shall be performed. Upon conviction, the court may require as a condition of the sentence that the defendant reimburse the providing agency for the costs of the electronic monitoring or abstinence monitoring.

Passed by the Senate June 29, 2015. Passed by the House June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 36

[Second Engrossed Substitute Senate Bill 5954] HIGHER EDUCATION--TUITION REDUCTION

AN ACT Relating to reducing tuition; amending RCW 28B.15.031, 28B.15.066, 28B.15.067, 28B.15.069, 28B.95.020, 28B.95.030, and 28B.118.010; adding a new section to chapter 28B.92

RCW; creating new sections; repealing RCW 28B.15.068 and 28B.15.102; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

- **Sec. 1.** RCW 28B.15.031 and 2012 c 230 s 6 are each amended to read as follows:
- (1) The term "operating fees" as used in this chapter shall include the fees, other than building fees, charged all students registering at the state's colleges and universities but shall not include fees for short courses, self-supporting degree credit programs and courses, marine station work, experimental station work, correspondence or extension courses, and individual instruction and student deposits or rentals, disciplinary and library fines, which colleges and universities shall have the right to impose, laboratory, gymnasium, health, technology and student activity fees, or fees, charges, rentals, and other income derived from any or all revenue producing lands, buildings and facilities of the colleges or universities heretofore or hereafter acquired, constructed or installed, including but not limited to income from rooms, dormitories, dining rooms, hospitals, infirmaries, housing or student activity buildings, vehicular parking facilities, land, or the appurtenances thereon, or such other special fees as may be established by any college or university board of trustees or regents from time to time. All moneys received as operating fees at any institution of higher education shall be deposited in a local account containing only operating fees revenue and related interest: PROVIDED, That ((a minimum of five percent of operating fees shall be retained by the four-year institutions of higher education that increase tuition for resident undergraduate students above assumed tuition increases in the omnibus appropriations act,)) a minimum of four percent of operating fees shall be retained by fouryear institutions of higher education ((that do not increase tuition for resident undergraduates above assumed increases in the omnibus appropriations act,)) and a minimum of three and one-half percent of operating fees shall be retained by the community and technical colleges for the purposes of RCW 28B.15.820. At least thirty percent of operating fees required to be retained by the four-year institutions for purposes of RCW 28B.15.820 shall be used only for the purposes of RCW 28B.15.820(10).
- (2) In addition to the three and one-half percent of operating fees retained by the institutions under subsection (1) of this section, up to three percent of operating fees charged to students at community and technical colleges shall be transferred to the community and technical college innovation account for the implementation of the college board's strategic technology plan in RCW 28B.50.515. The percentage to be transferred to the community and technical college innovation account shall be determined by the college board each year but shall not exceed three percent of the operating fees collected each year.
- (3) Local operating fee accounts shall not be subject to appropriation by the legislature but shall be subject to allotment procedures by budget program and fiscal year under chapter 43.88 RCW.
- Sec. 2. RCW 28B.15.066 and 2003 c 232 s 3 are each amended to read as follows:

((It is the intent of the legislature that:

In making appropriations from the state's general fund to institutions of higher education, each appropriation shall conform to the following:

- (1) The appropriation shall not be reduced by the amount of operating fees revenue estimated to be collected from students enrolled at the state-funded enrollment level specified in the omnibus biennial operating appropriations act;
- (2) The appropriation shall not be reduced by the amount of operating fees revenue collected from students enrolled above the state-funded level specified in the omnibus biennial operating appropriations act; and
- (3) The general fund state appropriation shall not be reduced by the amount of operating fees revenue collected as a result of waiving less operating fees revenue than the amounts authorized under RCW 28B.15.910. State general fund appropriations shall not be provided for revenue foregone as a result of or for waivers granted under RCW 28B.15.915.)) (1) Beginning with the 2015-2017 omnibus appropriations act, the legislature shall appropriate to the state board for community and technical colleges and to each of the four-year institutions of higher education an amount that is at least equal to the total state funds appropriated in the 2013-2015 biennium and the net revenue loss from resident undergraduate tuition operating fees based on budgeted full-time equivalent enrollment received for the 2015-2017 fiscal biennium under RCW 28B.15.067 (3) and (6). The net revenue loss shall be adjusted for inflation in subsequent biennia.
- (2) As used in this section and RCW 28B.15.069, "inflation" shall be based on the consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people and covering areas exclusively within the boundaries of the state shall be used.
- **Sec. 3.** RCW 28B.15.067 and 2015 c 55 s 211 are each amended to read as follows:
 - (1) Tuition fees shall be established under the provisions of this chapter.
- (2) Beginning in the 2011-12 academic year and through the 2014-15 academic year, reductions or increases in full-time tuition fees shall be as provided in the omnibus appropriations act for resident undergraduate students at community and technical colleges.
- (3)(a) In the 2015-16 and 2016-17 academic years, tuition operating fees for resident undergraduates at community and technical colleges excluding applied baccalaureate degrees as defined in RCW 28B.50.030, shall be five percent less than the 2014-15 academic year tuition operating fee.
- (b) Beginning in the 2017-18 academic year, tuition operating fees for resident undergraduates at community and technical colleges excluding applied baccalaureate degrees as defined in RCW 28B.50.030, may increase by no more than the average annual percentage growth rate in the median hourly wage for Washington for the previous fourteen years as the wage is determined by the federal bureau of labor statistics.
- (4) The governing boards of the state universities, regional universities, and The Evergreen State College; and the state board for community and technical colleges may reduce or increase full-time tuition fees for all students other than resident undergraduates, including nonresident students, summer school students, and students in other self-supporting degree programs. Percentage increases in full-time tuition may exceed the fiscal growth factor. Except during

the 2013-2015 fiscal biennium, the state board for community and technical colleges may pilot or institute differential tuition models. The board may define scale, scope, and rationale for the models.

- (((3))) (5)(a) Beginning with the 2011-12 academic year and through the end of the 2014-15 academic year, the governing boards of the state universities, the regional universities, and The Evergreen State College may reduce or increase full-time tuition fees for all students, including summer school students and students in other self-supporting degree programs. Percentage increases in full-time tuition fees may exceed the fiscal growth factor. Reductions or increases may be made for all or portions of an institution's programs, campuses, courses, or students; however, during the 2013-2015 fiscal biennium, reductions or increases in tuition must be uniform among resident undergraduate students.
- (b) Prior to reducing or increasing tuition for each academic year, the governing boards of the state universities, the regional universities, and The Evergreen State College shall consult with existing student associations or organizations with student undergraduate and graduate representatives regarding the impacts of potential tuition increases. Each governing board shall make public its proposal for tuition and fee increases twenty-one days before the governing board of the institution considers adoption and allow opportunity for public comment. However, the requirement to make public a proposal for tuition and fee increases twenty-one days before the governing board considers adoption shall not apply if the omnibus appropriations act has not passed the legislature by May 15th. Governing boards shall be required to provide data regarding the percentage of students receiving financial aid, the sources of aid, and the percentage of total costs of attendance paid for by aid.
- (c) Prior to reducing or increasing tuition for each academic year, the state board for community and technical college system shall consult with existing student associations or organizations with undergraduate student representation regarding the impacts of potential tuition increases. The state board for community and technical colleges shall provide data regarding the percentage of students receiving financial aid, the sources of aid, and the percentage of total costs of attendance paid for by aid.
- (((4) Beginning with)) (6)(a) In the 2015-16 academic year ((through the 2018-19 academic year, the governing boards of the state universities, regional universities, and The Evergreen State College may set tuition for resident undergraduates as follows:
- (a) If state funding for a college or university falls below the state funding provided in the operating budget for fiscal year 2011, the governing board may increase tuition up to the limits set in (d) of this subsection, reduce enrollments, or both:
- (b) If state funding for a college or university is at least at the level of state funding provided in the operating budget for fiscal year 2011, the governing board may increase tuition up to the limits set in (d) of this subsection and shall continue to at least maintain the actual enrollment levels for fiscal year 2011 or increase enrollments as required in the omnibus appropriations act;
- (e) If state funding is increased so that combined with resident undergraduate tuition the sixtieth percentile of the total per-student funding at similar public institutions of higher education in the global challenge states under RCW 28B.15.068 is exceeded, the governing board shall decrease tuition

by the amount needed for the total per-student funding to be at the sixtieth percentile under RCW 28B.15.068; and

- (d) The amount of tuition set by the governing board for an institution under this subsection (4) may not exceed the sixtieth percentile of the resident undergraduate tuition of similar public institutions of higher education in the global challenge states.
- (5))), full-time tuition operating fees for resident undergraduates for state universities, regional universities, The Evergreen State College, and applied baccalaureate degrees as defined in RCW 28B.50.030 shall be five percent less than the 2014-15 academic year tuition operating fee.
- (b) Beginning with the 2016-17 academic year, full-time tuition operating fees for resident undergraduates for:
- (i) State universities shall be fifteen percent less than the 2014-15 academic year tuition operating fee; and
- (ii) Regional universities, The Evergreen State College, and applied baccalaureate degrees as defined in RCW 28B.50.030 shall be twenty percent less than the 2014-15 academic year tuition operating fee.
- (c) Beginning with the 2017-18 academic year, full-time tuition operating fees for resident undergraduates in (b) of this subsection may increase by no more than the average annual percentage growth rate in the median hourly wage for Washington for the previous fourteen years as the wage is determined by the federal bureau of labor statistics.
- (7) The tuition fees established under this chapter shall not apply to high school students enrolling in participating institutions of higher education under RCW 28A.600.300 through 28A.600.400.
- (((6))) (<u>8</u>) The tuition fees established under this chapter shall not apply to eligible students enrolling in a dropout reengagement program through an interlocal agreement between a school district and a community or technical college under RCW 28A.175.100 through 28A.175.110.
- (((7) Beginning in the 2019-20 academic year, reductions or increases in full-time tuition fees for resident undergraduates at four-year institutions of higher education shall be as provided in the omnibus appropriations act.
- (8))) (9) The legislative advisory committee to the committee on advanced tuition payment established in RCW 28B.95.170 shall:
- (a) Review the impact of differential tuition rates on the funded status and future unit price of the Washington advanced college tuition payment program; and
- (b) No later than January 14, 2013, make a recommendation to the appropriate policy and fiscal committees of the legislature regarding how differential tuition should be addressed in order to maintain the ongoing solvency of the Washington advanced college tuition payment program.
- (10) As a result of any changes in tuition under section 3, chapter . . ., Laws of 2015 3rd sp. sess. (this section), the governing boards of the state universities, the regional universities, and The Evergreen State College shall not reduce resident undergraduate enrollment below the 2014-15 academic year levels.

<u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 28B.92 RCW to read as follows:

Beginning with the 2015-2017 omnibus appropriations act and each biennium thereafter, reductions in tuition levels resulting from section 3, chapter

..., Laws of 2015 3rd sp. sess. (section 3 of this act) will allow the legislature to reduce state need grant appropriations by an equal amount from the 2013-2015 fiscal biennium amounts. The legislature does not intend to reduce award levels for private colleges and universities below the 2014-15 academic year levels.

By reducing the overall cost of tuition, the legislature in future biennia is better able and intends to serve those students currently eligible but unserved in the state need grant.

- **Sec. 5.** RCW 28B.15.069 and 2015 c 55 s 212 are each amended to read as follows:
- (1) The building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the office of financial management and be based on the actual percentage the building fee is of total tuition for each tuition category in the 1994-95 academic year, rounded up to the nearest half percent. After the effective date of this section, the dollar value of the building fee shall not be reduced below the level in the 2014-15 academic year adjusted for inflation. As used in this subsection, "inflation" has the meaning in RCW 28B.15.066(2).
- (2) The governing boards of each institution of higher education((5)) shall charge to and collect from each student a services and activities fee. A governing board may increase the existing fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by a percentage not to exceed the annual percentage increase in student tuition fees for resident undergraduate students: PROVIDED, That such percentage increase shall not apply to that portion of the services and activities fee previously committed to the repayment of bonded debt. These rate adjustments may exceed the fiscal growth factor. For the 2013-2015 fiscal biennium, each governing board is authorized to increase the services and activities fees by amounts judged reasonable and necessary by the services and activities fee committee and the governing board consistent with the budgeting procedures set forth in RCW 28B.15.045. The services and activities fee committee provided for in RCW 28B.15.045 may initiate a request to the governing board for a fee increase.
- (3) Tuition and services and activities fees consistent with subsection (2) of this section shall be set by the state board for community and technical colleges for community and technical college summer school students unless the college charges fees in accordance with RCW 28B.15.515.
- (4) Subject to the limitations of RCW 28B.15.910, each governing board of a community or technical college may charge such fees for ungraded courses, noncredit courses, community services courses, and self-supporting courses as it, in its discretion, may determine, consistent with the rules of the state board for community and technical colleges.
- (5) The governing board of a college offering an applied baccalaureate degree program under RCW 28B.50.810 may charge tuition fees for those courses above the associate degree level at rates consistent with rules adopted by the state board for community and technical colleges, not to exceed tuition fee rates at the regional universities.
- Sec. 6. RCW 28B.95.020 and 2015 c 202 s 5 are each amended to read as follows:

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

- (1) "Academic year" means the regular nine-month, three-quarter, or two-semester period annually occurring between August 1st and July 31st.
- (2) "Account" means the Washington advanced college tuition payment program account established for the deposit of all money received by the office from eligible purchasers and interest earnings on investments of funds in the account, as well as for all expenditures on behalf of eligible beneficiaries for the redemption of tuition units and for the development of any authorized college savings program pursuant to RCW 28B.95.150.
- (3) "Committee on advanced tuition payment" or "committee" means a committee of the following members: The state treasurer, the director of the office of financial management, the director of the office, or their designees, and two members to be appointed by the governor, one representing program participants and one private business representative with marketing, public relations, or financial expertise.
- (4) "Contractual obligation" means a legally binding contract of the state with the purchaser and the beneficiary establishing that purchases of tuition units will be worth the same number of tuition units at the time of redemption as they were worth at the time of the purchase, except as provided in RCW 28B.95.030(7).
- (5) "Dual credit fees" means any fees charged to a student for participation in college in the high school under RCW 28A.600.290 or running start under RCW 28A.600.310.
- (6) "Eligible beneficiary" means the person for whom the tuition unit will be redeemed for attendance at an institution of higher education, participation in college in the high school under RCW 28A.600.290, or participation in running start under RCW 28A.600.310. The beneficiary is that person named by the purchaser at the time that a tuition unit contract is accepted by the governing body. Qualified organizations, as allowed under section 529 of the federal internal revenue code, purchasing tuition unit contracts as future scholarships need not designate a beneficiary at the time of purchase.
- (7) "Eligible purchaser" means an individual or organization that has entered into a tuition unit contract with the governing body for the purchase of tuition units for an eligible beneficiary. The state of Washington may be an eligible purchaser for purposes of purchasing tuition units to be held for granting Washington college bound scholarships.
- (8) "Full-time tuition charges" means resident tuition charges at a state institution of higher education for enrollments between ten credits and eighteen credit hours per academic term.
- (9) "Governing body" means the committee empowered by the legislature to administer the Washington advanced college tuition payment program.
- (10) "Institution of higher education" means an institution that offers education beyond the secondary level and is recognized by the internal revenue service under chapter 529 of the internal revenue code.
- (11) "Investment board" means the state investment board as defined in chapter 43.33A RCW.
- (12) "Office" means the office of student financial assistance as defined in chapter 28B.76 RCW.

- (13) "State institution of higher education" means institutions of higher education as defined in RCW 28B.10.016.
- (14) "Tuition and fees" means undergraduate tuition and services and activities fees as defined in RCW 28B.15.020 and 28B.15.041 rounded to the nearest whole dollar. For purposes of this chapter, services and activities fees do not include fees charged for the payment of bonds heretofore or hereafter issued for, or other indebtedness incurred to pay, all or part of the cost of acquiring, constructing, or installing any lands, buildings, or facilities.
- (15) "Tuition unit contract" means a contract between an eligible purchaser and the governing body, or a successor agency appointed for administration of this chapter, for the purchase of tuition units for a specified beneficiary that may be redeemed at a later date for an equal number of tuition units, except as provided in RCW 28B.95.030(7).
- (16) "Unit purchase price" means the minimum cost to purchase one tuition unit for an eligible beneficiary. Generally, the minimum purchase price is one percent of the undergraduate tuition and fees for the current year, rounded to the nearest whole dollar, adjusted for the costs of administration and adjusted to ensure the actuarial soundness of the account. The analysis for price setting shall also include, but not be limited to consideration of past and projected patterns of tuition increases, program liability, past and projected investment returns, and the need for a prudent stabilization reserve.
- **Sec. 7.** RCW 28B.95.030 and 2015 c 202 s 6 are each amended to read as follows:
- (1) The Washington advanced college tuition payment program shall be administered by the committee on advanced tuition payment which shall be chaired by the director of the office. The committee shall be supported by staff of the office.
- (2)(a) The Washington advanced college tuition payment program shall consist of the sale of tuition units, which may be redeemed by the beneficiary at a future date for an equal number of tuition units regardless of any increase in the price of tuition, that may have occurred in the interval, except as provided in subsection (7) of this section.
- (b) Each purchase shall be worth a specific number of or fraction of tuition units at each state institution of higher education as determined by the governing body, except as provided in subsection (7) of this section.
- (c) The number of tuition units necessary to pay for a full year's, full-time undergraduate tuition and fee charges at a state institution of higher education shall be set by the governing body at the time a purchaser enters into a tuition unit contract, except as provided in subsection (7) of this section.
- (d) The governing body may limit the number of tuition units purchased by any one purchaser or on behalf of any one beneficiary, however, no limit may be imposed that is less than that necessary to achieve four years of full-time, undergraduate tuition charges at a state institution of higher education. The governing body also may, at its discretion, limit the number of participants, if needed, to ensure the actuarial soundness and integrity of the program.
- (e) While the Washington advanced college tuition payment program is designed to help all citizens of the state of Washington, the governing body may determine residency requirements for eligible purchasers and eligible beneficiaries to ensure the actuarial soundness and integrity of the program.

- (3)(a) No tuition unit may be redeemed until two years after the purchase of the unit
- (b) Units may be redeemed for enrollment at any institution of higher education that is recognized by the internal revenue service under chapter 529 of the internal revenue code. Units may also be redeemed to pay for dual credit fees.
- (((b))) (c) Units redeemed at a nonstate institution of higher education or for graduate enrollment shall be redeemed at the rate for state public institutions in effect at the time of redemption.
- (4) The governing body shall determine the conditions under which the tuition benefit may be transferred to another family member. In permitting such transfers, the governing body may not allow the tuition benefit to be bought, sold, bartered, or otherwise exchanged for goods and services by either the beneficiary or the purchaser.
- (5) The governing body shall administer the Washington advanced college tuition payment program in a manner reasonably designed to be actuarially sound, such that the assets of the trust will be sufficient to defray the obligations of the trust including the costs of administration. The governing body may, at its discretion, discount the minimum purchase price for certain kinds of purchases such as those from families with young children, as long as the actuarial soundness of the account is not jeopardized.
- (6) The governing body shall annually determine current value of a tuition unit.
- (7) For the 2015-16 and 2016-17 academic years only, the governing body shall set the payout value for units redeemed during that academic year only at one hundred seventeen dollars and eighty-two cents per unit. For academic years after the 2016-17 academic year, the governing body shall make program adjustments it deems necessary and appropriate to ensure that the total payout value of each account on the effective date of this section is not decreased or diluted as a result of the initial application of any changes in tuition under section 3, chapter . . ., Laws of 2015 3rd sp. sess. (section 3 of this act). In the event the committee or governing body provides additional units under chapter . . ., Laws of 2015 3rd sp. sess. (this act), the committee and governing body shall also increase the maximum number of units that can be redeemed in any year to mitigate the reduction in available account value during any year as a result of chapter . . ., Laws of 2015 3rd sp. sess. (this act). The governing body must notify holders of tuition units after the adjustment in this subsection is made and must include a statement concerning the adjustment.
- (8) The governing body shall promote, advertise, and publicize the Washington advanced college tuition payment program.
- $((\frac{8}{8}))$ (9) In addition to any other powers conferred by this chapter, the governing body may:
- (a) Impose reasonable limits on the number of tuition units or units that may be used in any one year;
- (b) Determine and set any time limits, if necessary, for the use of benefits under this chapter;
- (c) Impose and collect administrative fees and charges in connection with any transaction under this chapter;

- (d) Appoint and use advisory committees and the state actuary as needed to provide program direction and guidance;
- (e) Formulate and adopt all other policies and rules necessary for the efficient administration of the program;
- (f) Consider the addition of an advanced payment program for room and board contracts and also consider a college savings program;
- (g) Purchase insurance from insurers licensed to do business in the state, to provide for coverage against any loss in connection with the account's property, assets, or activities or to further insure the value of the tuition units;
- (h) Make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise and discharge of its powers and duties under this chapter;
- (i) Contract for the provision for all or part of the services necessary for the management and operation of the program with other state or nonstate entities authorized to do business in the state;
- (j) Contract for other services or for goods needed by the governing body in the conduct of its business under this chapter;
- (k) Contract with financial consultants, actuaries, auditors, and other consultants as necessary to carry out its responsibilities under this chapter;
- (l) Solicit and accept cash donations and grants from any person, governmental agency, private business, or organization; and
- (m) Perform all acts necessary and proper to carry out the duties and responsibilities of this program under this chapter.
- **Sec. 8.** RCW 28B.118.010 and 2015 c 244 s 3 are each amended to read as follows:

The office of student financial assistance shall design the Washington college bound scholarship program in accordance with this section and in alignment with the state need grant program in chapter 28B.92 RCW unless otherwise provided in this section.

- (1) "Eligible students" are those students who:
- (a) Qualify for free or reduced-price lunches. If a student qualifies in the seventh grade, the student remains eligible even if the student does not receive free or reduced-price lunches thereafter; or
 - (b) Are dependent pursuant to chapter 13.34 RCW and:
 - (i) In grade seven through twelve; or
- (ii) Are between the ages of eighteen and twenty-one and have not graduated from high school.
- (2) Eligible students shall be notified of their eligibility for the Washington college bound scholarship program beginning in their seventh grade year. Students shall also be notified of the requirements for award of the scholarship.
- (3)(a) To be eligible for a Washington college bound scholarship, a student eligible under subsection (1)(a) of this section must sign a pledge during seventh or eighth grade that includes a commitment to graduate from high school with at least a C average and with no felony convictions. The pledge must be witnessed by a parent or guardian and forwarded to the office of student financial assistance by mail or electronically, as indicated on the pledge form.
- (b) A student eligible under subsection (1)(b) of this section shall be automatically enrolled, with no action necessary by the student or the student's family, and the enrollment form must be forwarded by the department of social

and health services to the higher education coordinating board or its successor by mail or electronically, as indicated on the form.

- (4)(a) Scholarships shall be awarded to eligible students graduating from public high schools, approved private high schools under chapter 28A.195 RCW, or who received home-based instruction under chapter 28A.200 RCW.
- (b)(i) To receive the Washington college bound scholarship, a student must graduate with at least a "C" average from a public high school or an approved private high school under chapter 28A.195 RCW in Washington or have received home-based instruction under chapter 28A.200 RCW, must have no felony convictions, and must be a resident student as defined in RCW 28B.15.012(2) (a) through (d).
- (ii) For a student who does not meet the "C" average requirement, and who completes fewer than two quarters in the running start program, under chapter 28A.600 RCW, the student's first quarter of running start course grades must be excluded from the student's overall grade point average for purposes of determining their eligibility to receive the scholarship.
- (5) A student's family income will be assessed upon graduation before awarding the scholarship.
- (6) If at graduation from high school the student's family income does not exceed sixty-five percent of the state median family income, scholarship award amounts shall be as provided in this section.
- (a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, the value of the award shall be (i) the difference between the student's tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives; (ii) plus five hundred dollars for books and materials.
- (b) For students attending private four-year institutions of higher education in Washington, the award amount shall be the representative average of awards granted to students in public research universities in Washington or the representative average of awards granted to students in public research universities in Washington in the 2014-15 academic year, whichever is greater.
- (c) For students attending private vocational schools in Washington, the award amount shall be the representative average of awards granted to students in public community and technical colleges in Washington or the representative average of awards granted to students in public community and technical colleges in Washington in the 2014-15 academic year, whichever is greater.
- (7) Recipients may receive no more than four full-time years' worth of scholarship awards.
- (8) Institutions of higher education shall award the student all need-based and merit-based financial aid for which the student would otherwise qualify. The Washington college bound scholarship is intended to replace unmet need, loans, and, at the student's option, work-study award before any other grants or scholarships are reduced.
 - (9) The first scholarships shall be awarded to students graduating in 2012.
- (10) The state of Washington retains legal ownership of tuition units awarded as scholarships under this chapter until the tuition units are redeemed. These tuition units shall remain separately held from any tuition units owned under chapter 28B.95 RCW by a Washington college bound scholarship recipient.

- (11) The scholarship award must be used within five years of receipt. Any unused scholarship tuition units revert to the Washington college bound scholarship account.
- (12) Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the scholarship tuition units shall revert to the Washington college bound scholarship account.

NEW SECTION. Sec. 9. The legislature intends to make college more affordable for students and families through the implementation of this act. As a result, the legislature expects that resident undergraduate students are able to complete their major course of study in a timely manner. The education data center established in RCW 43.41.400 shall provide a statistical analysis and report of the time to degree completion for each undergraduate major course of study for each four-year institution of higher education as defined in RCW 28B.10.016 and the state board for community and technical colleges. The report shall include as many years as possible to compare the results over time. The report shall be provided to the appropriate committees of the legislature no later than December 1, 2015.

NEW SECTION. Sec. 10. The Washington state institute for public policy shall conduct a study on alternative resident undergraduate tuition growth factors such as median wage, average wage, median household income, consumer price index, student affordability metrics, and others. The analysis should indicate how tuition is likely to change under each metric over an extended period of time. The report should also consider the relative ease of calculating or obtaining the metric for budget development purposes. The legislature intends to use this analysis to evaluate the median wage metric used in this act on an ongoing basis. The institute shall report its findings to the relevant committees of the legislature by December 1, 2015.

<u>NEW SECTION.</u> **Sec. 11.** (1) By December 1, 2016, the committee on advanced tuition payment defined in RCW 28B.95.020 shall review and report to the legislative fiscal and higher education committees on:

- (a) The impact of decreasing tuition rates on the funded status and future unit price of the Washington advanced college tuition payment program;
- (b) The feasibility and different options of establishing a college savings program as described in RCW 28B.95.150;
- (c) A list of potential alternatives and impacts for changing the advanced college tuition payment distribution policy from tuition and fees to a cost of attendance metric; and
- (d) A list of potential alternatives and impacts for whether the state penalty for withdrawal should be changed.
 - (2) This section expires January 1, 2017.

 $\underline{\text{NEW SECTION}}$. Sec. 12. The following acts or parts of acts are each repealed:

- (1) RCW 28B.15.068 (Tuition fees increase limitations—State funding goals—Reports—"Global challenge states"—Notification of availability of American opportunity tax credit) and 2012 c 229 s 525, 2012 c 229 s 524, 2011 1st sp.s. c 50 s 928, 2011 1st sp.s. c 10 s 7, 2009 c 540 s 1, & 2007 c 151 s 1; and
- (2) RCW 28B.15.102 (Institutional tuition increases—Financial aid offset—Reports—Resident first-year undergraduate enrollment at the University of

Washington, Seattle campus) and 2014 c 162 s 1, 2013 c 23 s 53, 2012 c 229 s 526, & 2011 1st sp.s. c 10 s 6.

<u>NEW SECTION.</u> **Sec. 13.** This act may be known and cited as the college affordability program.

Passed by the Senate June 29, 2015. Passed by the House June 30, 2015. Approved by the Governor July 6, 2015. Filed in Office of Secretary of State July 7, 2015.

CHAPTER 37

[Engrossed Substitute House Bill 1166]
GENERAL OBLIGATION BONDS AND RELATED ACCOUNTS

AN ACT Relating to state general obligation bonds and related accounts; adding a new chapter to Title 43 RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** For the purpose of providing funds to finance the projects described and authorized by the legislature in the omnibus capital and operating appropriations acts for the 2015-2017 fiscal biennium, and all costs incidental thereto, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of two billion three hundred thirty-two million four hundred fifty-six thousand dollars, or as much thereof as may be required, to finance these projects and all costs incidental thereto. Bonds authorized in this section may be sold at such price as the state finance committee shall determine. No bonds authorized in this section may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

<u>NEW SECTION.</u> **Sec. 2.** (1) The proceeds from the sale of bonds authorized in section 1 of this act shall be deposited in the state building construction account created by RCW 43.83.020. The proceeds shall be transferred as follows:

- (a) Two billion one hundred eighty-five million five hundred sixty-two thousand dollars to remain in the state building construction account created by RCW 43.83.020;
- (b) One hundred twenty-three million eight hundred thousand dollars to the state taxable building construction account. All receipts from taxable bonds issued are to be deposited into the account. If the state finance committee deems it necessary or advantageous to issue more than the amount specified in this subsection (1)(b) as taxable bonds in order to comply with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds or in order to reduce the total financing costs for bonds issued, the proceeds of such additional taxable bonds shall be transferred to the state taxable building construction account in lieu of any transfer otherwise provided by this section. If the state finance committee determines that a portion of the amount specified in this subsection (1)(b) as taxable bonds may be issued as nontaxable bonds in compliance with federal internal revenue service rules and regulations pertaining to the use of nontaxable bond proceeds, then such bond proceeds shall be transferred to the state building construction account in lieu of the transfer to

the state taxable building construction account otherwise provided by this subsection (1)(b). The state treasurer shall submit written notice to the director of financial management if it is determined that any such additional transfer to the state taxable building construction account is necessary or that a transfer from the state taxable building construction account to the state building construction account may be made. Moneys in the account may be spent only after appropriation.

- (c) The treasurer shall transfer bond proceeds deposited in the state building construction account into the outdoor recreation account created by RCW 79A.25.060, the habitat conservation account created by RCW 79A.15.020, the riparian protection account created by RCW 79A.15.120, and the farmlands preservation account created by RCW 79A.15.130 at various times and in various amounts necessary to support authorized expenditures from those accounts.
- (2) These proceeds shall be used exclusively for the purposes specified in this section and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this section, and shall be administered by the office of financial management subject to legislative appropriation.
- <u>NEW SECTION.</u> **Sec. 3.** (1) The debt-limit general fund bond retirement account shall be used for the payment of the principal of and interest on the bonds authorized in section 2(1) (a) through (c) of this act.
- (2) The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements on the bonds authorized in section 2(1) (a) through (c) of this act.
- (3) On each date on which any interest or principal and interest payment is due on bonds issued for the purposes of section 2(1) (a) through (c) of this act the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the debt-limit general fund bond retirement account an amount equal to the amount certified by the state finance committee to be due on the payment date.
- <u>NEW SECTION.</u> **Sec. 4.** (1) Bonds issued under sections 1 through 3 of this act shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay the principal and interest as the same shall become due.
- (2) The owner and holder of each of the bonds or the trustee for the owner and holder of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section.
- <u>NEW SECTION.</u> **Sec. 5.** The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 1 of this act, and sections 2 and 3 of this act shall not be deemed to provide an exclusive method for the payment.
- <u>NEW SECTION.</u> **Sec. 6.** Sections 1 through 5 of this act constitute a new chapter in Title 43 RCW.
- <u>NEW SECTION.</u> **Sec. 7.** 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.

<u>NEW SECTION.</u> **Sec. 8.** 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.

Passed by the House June 30, 2015.
Passed by the Senate July 9, 2015.
Approved by the Governor July 10, 2015.
Filed in Office of Secretary of State July 10, 2015.

CHAPTER 38

[Engrossed House Bill 2266]

K-12 EDUCATION--CLASS SIZE REDUCTION--STAFFING CHANGES--DEFERRAL

AN ACT Relating to deferring implementation of class size reduction and school employee staffing formula changes; amending RCW 28A.150.261; amending 2015 c 2 s 5 (uncodified); creating a new section; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** At the 2014 general election, the voters approved Initiative No. 1351, which proposed to amend the formulas by which the state allocates funding for state-funded school district employees. Initiative No. 1351 increased the state's obligation to fund teachers for class size reduction in excess of the class size reduction in grades K-3 already enacted by the legislature in chapter 548, Laws of 2009 (ESHB 2261) and chapter 236, Laws of 2010 (SHB 2776). Initiative No. 1351 also increased the state's obligation to provide funding for other types of school district employees beyond teachers.

In 2012, the state supreme court ruled in *McCleary v. State* that the state has failed to comply with its Article IX duty to make ample provision for the state's program of basic education. In its ruling, the court declared that ESHB 2261 constituted a "promising reform" that would bring the state into compliance with Article IX "if fully funded[.]" In the time since the original *McCleary* ruling, the state has continued to implement ESHB 2261 and SHB 2776, with full implementation scheduled for the statutory deadline of 2018.

For two sets of educational reasons, the legislature finds that it is appropriate to delay implementation of Initiative No. 1351 for four years.

First, the legislature finds, based on research reviewed by the basic education funding task force and the quality education council, that the greatest improvements in student outcomes in the common schools can be achieved in the near term by focusing the investment of state fiscal resources in the areas identified in ESHB 2261 and SHB 2776, which emphasize fund class size reduction in early grades. The legislature further finds that the court in its *McCleary* ruling and orders has identified investments in these areas as the funding reforms that are needed to bring the state into compliance with its Article IX obligations, which provides an educational reason for focusing on funding the reforms of ESHB 2261 and SHB 2776 in the 2015-2017 and 2017-2019 fiscal biennia.

Second, the legislature finds that there are practical educational reasons to temporarily defer implementation of increased staffing ratios and the portion of class size reduction that is beyond the reductions called for in SHB 2776. Data from the superintendent of public instruction and the professional educator

standards board indicate that Washington's teacher education programs are not estimated to produce sufficient teachers to achieve the class size reductions on the schedule established by Initiative No. 1351. Further, the experience of other states indicates that the need to hire teachers quickly for rapid implementation of class size reductions may exacerbate recruiting difficulties for schools or districts that are at a relative disadvantage in attracting staff. Finally, implementing class size reduction requires time to plan and build new classrooms.

For these reasons, the legislature intends to temporarily defer implementation of Initiative No. 1351.

Sec. 2. RCW 28A.150.261 and 2015 c 2 s 3 (Initiative Measure No. 1351) are each amended to read as follows:

In order to make measurable progress toward implementing the provisions of section 2, chapter 2, Laws of 2015 by September 1, ((2017)) 2021, the legislature shall increase state funding allocations under RCW 28A.150.260 according to the following schedule:

- (1) For the ((2015-2017)) 2019-2021 biennium, funding allocations shall be no less than fifty percent of the difference between the funding necessary to support the numerical values under RCW 28A.150.260 as of September 1, 2013, and the funding necessary to support the numerical values under section 2, chapter 2, Laws of 2015, with priority for additional funding provided during this biennium for the highest poverty schools and school districts;
- (2) By the end of the ((2017-2019)) 2021-2023 biennium and thereafter, funding allocations shall be no less than the funding necessary to support the numerical values under section 2, chapter 2, Laws of 2015.
- **Sec. 3.** 2015 c 2 s 5 (Initiative Measure No. 1351) (uncodified) is amended to read as follows:

Section 2 of this act takes effect September 1, ((2018)) 2022.

<u>NEW SECTION.</u> **Sec. 4.** 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.

Passed by the House June 29, 2015.

Passed by the Senate July 9, 2015.

Approved by the Governor July 14, 2015.

Filed in Office of Secretary of State July 14, 2015.

CHAPTER 39

[Senate Bill 5310]

ENERGY FACILITY SITE EVALUATION COUNCIL--ENFORCEMENT ACTIONS

AN ACT Relating to enforcement actions at facilities sited by the energy facility site evaluation council; amending RCW 80.50.150 and 90.56.330; adding a new section to chapter 80.50 RCW; creating a new section; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** The legislature recognizes that the energy facility site evaluation council is responsible for enforcing compliance with this chapter, rules adopted pursuant to this chapter, and site certification agreements and any

permits it issues to energy facilities under its jurisdiction. The statutes related to enforcement by the energy facility site evaluation council have not been amended to reflect the increased penalty amounts that both the department of ecology and local air pollution control authorities may impose for similar violations of environmental laws. In addition, it is not altogether clear whether the department of ecology has authority to issue additional penalties under RCW 90.56.330 for oil spills at facilities under the jurisdiction of the energy facility site evaluation council. Furthermore, the legislature recently eliminated the mitigation process from certain environmental appeals because it represented an unnecessary step in the penalty process. The legislature did not amend the enforcement statutes of the energy facility site evaluation council to eliminate the mitigation process for penalties issued by the council.

The legislature intends to amend the energy facility site evaluation council's enforcement statutes to make them more consistent with similar enforcement statutes of the department of ecology and local air pollution control authorities, and to clarify the appeal process. The legislature also intends to clarify that additional penalties under RCW 90.56.330 for oil spills may be imposed by the department of ecology at energy facilities under the jurisdiction of the energy facility site evaluation council. Nothing in RCW 80.50.150 and section 3 of this act limits the department of ecology's ability to impose natural resource damage assessments pursuant to RCW 90.56.370, regardless of whether or not the energy facility is under the jurisdiction of the energy facility site evaluation council.

- Sec. 2. RCW 80.50.150 and 2013 c 23 s 283 are each amended to read as follows:
- (1) The courts are authorized to grant such restraining orders, and such temporary and permanent injunctive relief as is necessary to secure compliance with this chapter ((and/or with)), rules adopted under this chapter, a site certification agreement issued pursuant to this chapter ((or)), a national pollutant discharge elimination system (hereafter in this section, NPDES) permit or waste discharge permit issued by the council ((pursuant to)) under chapter 90.48 RCW ((or)), any air permit issued ((pursuant to)) under RCW 80.50.040(((14))) (12), or any other permit issued by the council.
- (2) The court may assess civil penalties in an amount not less than one thousand dollars per day nor more than twenty-five thousand dollars per day for each day of construction or operation in material violation of this chapter, or in violation of any rules adopted under this chapter, or in material violation of any site certification agreement issued pursuant to this chapter, or in violation of any NPDES permit or waste discharge permit issued by the council pursuant to chapter 90.48 RCW, or in violation of any air permit issued pursuant to RCW 80.50.040(((14+))) (12), or in violation of any other permit issued by the council. ((The court may charge the expenses of an enforcement action relating to a site eertification agreement under this section, including, but not limited to, expenses incurred for legal services and expert testimony, against any person found to be in material violation of the provisions of such certification: PROVIDED, That the expenses of a person found not to be in material violation of the provisions of such certification, including, but not limited to, expenses incurred for legal services and expert testimony, may be charged against the person or persons bringing an enforcement action or other action under this section.

- (2))) (3) Willful violation of any provision of this chapter ((shall be))is a gross misdemeanor.
- (((3))) (4) Willful or criminally negligent, as defined in RCW 9A.08.010(1)(d), violation of any provision of ((an)) a NPDES permit or waste discharge permit issued by the council pursuant to chapter 90.48 RCW, or any air permit issued by the council pursuant to RCW 80.50.040(((14))) (12) or any emission standards promulgated by the council in order to implement the federal clean air act and the state implementation plan with respect to energy facilities under the jurisdiction provisions of this chapter ((shall be deemed)), or any other permit issued by the council, is a ((erime)) gross misdemeanor, and upon conviction thereof shall be punished by a fine of up to twenty-five thousand dollars per day and costs of prosecution. ((Any violation of this subsection shall be a gross misdemeanor.
- (4))) (5) Any person knowingly making any false statement, representation, or certification in any document in any ((NPDES)) form, notice, or report required by ((an)) a NPDES or waste discharge permit, or in any form, notice, or report required for or by any air permit issued pursuant to RCW ((80.50.090(14) shall be deemed)) 80.50.040(12), or any other permit issued by the council, is guilty of a ((erime)) gross misdemeanor, and upon conviction thereof shall be punished by a fine of up to ten thousand dollars and costs of prosecution.
- (((5) Every person who violates the provisions of certificates and permits issued or administered by the council shall incur, in addition to any other penalty as provided by law, a penalty in an amount of up to five thousand dollars a day for every such violation. Each and every such violation shall be a separate and distinct offense, and in ease of a continuing violation, every day's continuance shall be and be deemed to be a separate and distinct violation. Every act of eommission or omission which procures, aids, or abets in the violation shall be considered a violation under the provisions of this section and subject to the penalty provided in this section. The penalty provided in this section shall be imposed by a notice in writing, either by certified mail with return receipt requested or by personal service, to the person incurring the same from the eouncil describing such violation with reasonable particularity. The council may, upon written application therefor received within fifteen days after notice imposing any penalty is received by the person incurring the penalty, and when deemed in the best interest to carry out the purposes of this chapter, remit or mitigate any penalty provided in this section upon such terms as the council shall deem proper, and shall have authority to ascertain the facts upon all such applications in such manner and under such regulations as it may deem proper. Any person incurring any penalty under this section may appeal the same to the eouncil. Such appeals shall be filed within thirty days of receipt of notice imposing any penalty unless an application for remission or mitigation is made to the council. When an application for remission or mitigation is made, such appeals shall be filed within thirty days of receipt of notice from the council setting forth the disposition of the application. Any penalty imposed under this section shall become due and payable thirty days after receipt of a notice imposing the same unless application for remission or mitigation is made or an appeal is filed. When an application for remission or mitigation is made, any penalty incurred hereunder shall become due and payable thirty days after receipt of notice setting forth the disposition of the application unless an appeal

is filed from such disposition. Whenever an appeal of any penalty incurred hereunder is filed, the penalty shall become due and payable only upon completion of all review proceedings and the issuance of a final order confirming the penalty in whole or in part. If the amount of any penalty is not paid to the council within thirty days after it becomes due and payable, the attorney general, upon the request of the council, shall bring an action in the name of the state of Washington in the superior court of Thurston county or of any county in which such violator may do business, to recover such penalty. In all such actions, the procedure and rules of evidence shall be the same as an ordinary civil action except as otherwise provided in this chapter. All penalties recovered under this section shall be paid into the state treasury and credited to the general fund.))

- (6) Civil proceedings to enforce this chapter may be brought by the attorney general or the prosecuting attorney of any county affected by the violation on his or her own motion or at the request of the council. Criminal proceedings to enforce this chapter may be brought by the prosecuting attorney of any county affected by the violation on his or her own motion or at the request of the council
- (7) The remedies and penalties in this ((section)) chapter, both civil and criminal, ((shall be)) are cumulative and ((shall be)) are in addition to any other penalties and remedies available at law, or in equity, to any person.

<u>NEW SECTION.</u> **Sec. 3.** A new section is added to chapter 80.50 RCW to read as follows:

- (1) Every person who violates the provisions of site certification agreements or permits issued or administered by the council shall incur, in addition to any other penalty as provided by law, a penalty in an amount of up to ten thousand dollars a day for every such violation. Each and every such violation is a separate and distinct offense, and in case of a continuing violation, every day's continuance is deemed to be a separate and distinct violation. Every act of commission or omission which procures, aids, or abets in the violation is considered a violation under the provisions of this section and subject to the penalty provided in this section. The penalty provided in this section shall be imposed by a notice in writing, either by certified mail with return receipt requested or by personal service, to the person incurring the same from the council describing such violation with reasonable particularity.
- (2) Any person incurring any penalty under this section must appeal the same to the council before the person may appeal the penalty to superior court. Such appeals with the council shall be filed within thirty days of the date of receipt of notice imposing any penalty. Any penalty imposed under this section shall become due and payable thirty days after the date of receipt of a notice imposing the same unless an appeal is filed with the council. Whenever an appeal of any penalty incurred hereunder is filed with the council, the penalty shall become due and payable only upon completion of all review proceedings and the issuance of a final order confirming the penalty in whole or in part. Judicial review of any final decision of the council is governed by chapter 34.05 RCW. All penalties recovered under this section shall be paid into the state treasury and credited to the general fund.
 - (3) For purposes of this subsection, "date of receipt" means:
 - (a) Five business days after the date of mailing; or

- (b) The date of actual receipt, when the actual receipt date can be proven by a preponderance of the evidence. The date of actual receipt, however, may not exceed forty-five days from the date of mailing.
- **Sec. 4.** RCW 90.56.330 and 2007 c 347 s 3 are each amended to read as follows:
- (1) Except as otherwise provided in RCW 90.56.390, any person who negligently discharges oil, or causes or permits the entry of the same, shall incur, in addition to any other penalty as provided by law, a penalty in an amount of up to one hundred thousand dollars for every such violation, and for each day the spill poses risks to the environment as determined by the director. Any person who intentionally or recklessly discharges or causes or permits the entry of oil into the waters of the state shall incur, in addition to any other penalty authorized by law, a penalty of up to five hundred thousand dollars for every such violation and for each day the spill poses risks to the environment as determined by the director. The amount of the penalty shall be determined by the director after taking into consideration the size of the business of the violator, the gravity of the violation, the previous record of the violator in complying, or failing to comply, with the provisions of chapter 90.48 RCW, the speed and thoroughness of the collection and removal of the oil, and such other considerations as the director deems appropriate. Every act of commission or omission which procures, aids or abets in the violation shall be considered a violation under the provisions of this section and subject to the penalty herein provided for. The penalty provided for in this section shall be imposed pursuant to RCW 43.21B.300.
- (2) The director may impose the penalty authorized under subsection (1) of this section, in addition to any other assessment for damages the director is authorized to impose pursuant to law, if the discharge of oil is at an energy facility regulated by the energy facility site evaluation council.
- (3) Any penalty recovered pursuant to this section shall be credited to the coastal protection fund created in RCW 90.48.390.

Passed by the Senate June 30, 2015.

Passed by the House June 30, 2015.

Approved by the Governor July 14, 2015.

Filed in Office of Secretary of State July 14, 2015.

CHAPTER 40

[Second Engrossed Senate Bill 5993]
PUBLIC WORKS--CONTRACTS AND PROJECTS

AN ACT Relating to public works contracts and projects; amending RCW 39.04.320 and 39.12.026; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

- Sec. 1. RCW 39.04.320 and 2015 c 225 s 36 are each amended to read as follows:
- (1)(a) Except as provided in (b) through (d) of this subsection, from January 1, 2005, and thereafter, for all public works estimated to cost one million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.

- (b)(i) This section does not apply to contracts advertised for bid before July 1, 2007, for any public works by the department of transportation.
- (ii) For contracts advertised for bid on or after July 1, 2007, and before July 1, 2008, for all public works by the department of transportation estimated to cost five million dollars or more, all specifications shall require that no less than ten percent of the labor hours be performed by apprentices.
- (iii) For contracts advertised for bid on or after July 1, 2008, and before July 1, 2009, for all public works by the department of transportation estimated to cost three million dollars or more, all specifications shall require that no less than twelve percent of the labor hours be performed by apprentices.
- (iv) For contracts advertised for bid on or after July 1, ((2009)) 2015, and before July 1, 2020, for all public works by the department of transportation estimated to cost ((two)) three million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.
- (v) For contracts advertised for bid on or after July 1, 2020, for all public works by the department of transportation estimated to cost two million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.
- (c)(i) This section does not apply to contracts advertised for bid before January 1, 2008, for any public works by a school district, or to any project funded in whole or in part by bond issues approved before July 1, 2007.
- (ii) For contracts advertised for bid on or after January 1, 2008, for all public works by a school district estimated to cost three million dollars or more, all specifications shall require that no less than ten percent of the labor hours be performed by apprentices.
- (iii) For contracts advertised for bid on or after January 1, 2009, for all public works by a school district estimated to cost two million dollars or more, all specifications shall require that no less than twelve percent of the labor hours be performed by apprentices.
- (iv) For contracts advertised for bid on or after January 1, 2010, for all public works by a school district estimated to cost one million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.
- (d)(i) For contracts advertised for bid on or after January 1, 2010, for all public works by a four-year institution of higher education estimated to cost three million dollars or more, all specifications must require that no less than ten percent of the labor hours be performed by apprentices.
- (ii) For contracts advertised for bid on or after January 1, 2011, for all public works by a four-year institution of higher education estimated to cost two million dollars or more, all specifications must require that no less than twelve percent of the labor hours be performed by apprentices.
- (iii) For contracts advertised for bid on or after January 1, 2012, for all public works by a four-year institution of higher education estimated to cost one million dollars or more, all specifications must require that no less than fifteen percent of the labor hours be performed by apprentices.
- (2) Awarding entities may adjust the requirements of this section for a specific project for the following reasons:

- (a) The demonstrated lack of availability of apprentices in specific geographic areas;
- (b) A disproportionately high ratio of material costs to labor hours, which does not make feasible the required minimum levels of apprentice participation;
- (c) Participating contractors have demonstrated a good faith effort to comply with the requirements of RCW 39.04.300 and 39.04.310 and this section; or
- (d) Other criteria the awarding entity deems appropriate, which are subject to review by the office of the governor.
- (3) The secretary of the department of transportation shall adjust the requirements of this section for a specific project for the following reasons:
- (a) The demonstrated lack of availability of apprentices in specific geographic areas; or
- (b) A disproportionately high ratio of material costs to labor hours, which does not make feasible the required minimum levels of apprentice participation.
- (4) This section applies to public works contracts awarded by the state, to public works contracts awarded by school districts, and to public works contracts awarded by state four-year institutions of higher education. However, this section does not apply to contracts awarded by state agencies headed by a separately elected public official.
- (5)(a) The department of enterprise services must provide information and technical assistance to affected agencies and collect the following data from affected agencies for each project covered by this section:
 - (i) The name of each apprentice and apprentice registration number;
 - (ii) The name of each project;
 - (iii) The dollar value of each project;
 - (iv) The date of the contractor's notice to proceed;
- (v) The number of apprentices and labor hours worked by them, categorized by trade or craft;
- (vi) The number of journey level workers and labor hours worked by them, categorized by trade or craft; and
- (vii) The number, type, and rationale for the exceptions granted under subsection (2) of this section.
- (b) The department of labor and industries shall assist the department of enterprise services in providing information and technical assistance.
- (6) The secretary of transportation shall establish an apprenticeship utilization advisory committee, which shall include statewide geographic representation and consist of equal numbers of representatives of contractors and labor. The committee must include at least one member representing contractor businesses with less than thirty-five employees. The advisory committee shall meet regularly with the secretary of transportation to discuss implementation of this section by the department of transportation, including development of the process to be used to adjust the requirements of this section for a specific project. ((The committee shall provide a report to the legislature by January 1, 2008, on the effects of the apprentice labor requirement on transportation projects and on the availability of apprentice labor and programs statewide.))
- (7) At the request of the senate labor, commerce, research and development committee, the house of representatives commerce and labor committee, or their successor committees, and the governor, the department of enterprise services

and the department of labor and industries shall compile and summarize the agency data and provide a joint report to both committees. The report shall include recommendations on modifications or improvements to the apprentice utilization program and information on skill shortages in each trade or craft.

- Sec. 2. RCW 39.12.026 and 2003 c 363 s 206 are each amended to read as follows:
- (1) In establishing the prevailing rate of wage under RCW 39.12.010, 39.12.015, and 39.12.020, all data collected by the department of labor and industries may be used only in the county for which the work was performed.
- (2) ((This section applies only to prevailing wage surveys initiated on or after August 1, 2003.)) The department of labor and industries must provide registered contractors with the option of completing a wage survey electronically.

<u>NEW SECTION.</u> **Sec. 3.** 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.

Passed by the Senate June 28, 2015.

Passed by the House June 30, 2015.

Approved by the Governor July 14, 2015.

Filed in Office of Secretary of State July 14, 2015.

CHAPTER 41

[Second Engrossed Substitute Senate Bill 6080]

K-12 FACILITIES FINANCING--ALL-DAY KINDERGARTEN--K-3 CLASS SIZE REDUCTION

AN ACT Relating to financing public school facilities necessary to support state-funded all-day kindergarten and class size reduction in kindergarten through third grade; adding a new section to chapter 28A.525 RCW; creating new sections; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

PART 1: Findings and Intent

NEW SECTION. Sec. 101. (1) The legislature finds that local school districts design, build, own, and manage public school facilities. The Washington state Constitution provides two ways to fund construction of public school facilities. First, the state Constitution provides the means for school districts to finance school construction. Article VII, section 2 of the state Constitution authorizes school districts to collect capital levies to support the construction, remodeling, or modernization of school facilities. In addition, Article VIII, section 6 of the state Constitution authorizes school districts to incur debt up to eleven and one-half percent of the total assessed value of taxable property for school construction and Article VII, section 2 of the state Constitution authorizes school districts to pay for this debt by issuing general obligation bonds for these capital purposes. Second, Article IX, section 3 of the state Constitution establishes the common school construction fund and dedicates revenues derived from school and state trust lands and earnings of the permanent common school fund to funding common school construction.

Beyond these constitutional means, the legislature provides further state assistance to school districts through the issuance of general obligation bonds, the proceeds of which the state appropriates to support the state school construction assistance grant program established in chapter 28A.525 RCW. This state grant program is not intended to replace the financing provisions established in the state Constitution, but rather to provide state assistance that supplements the constitutional financing provisions. The state grant program helps finance new school capacity to accommodate enrollment growth and to modernize and replace existing schools while respecting local decisions and control by locally elected school boards.

- (2) The legislature also finds that some school districts may benefit from additional financial assistance to provide school facilities—beyond that which is provided through the school construction assistance grant program—for the purpose of constructing or acquiring additional classrooms to support statefunded all-day kindergarten and class size reduction in kindergarten through third grade.
- (3) For the 2015-2017 biennium, the legislature intends to provide additional state financial assistance to help school districts in funding public school facilities necessary to support state-funded all-day kindergarten and class size reduction in kindergarten through third grade.

PART 2: K-3 Class Size Reduction Construction Grant Pilot Program

<u>NEW SECTION.</u> **Sec. 201.** A new section is added to chapter 28A.525 RCW to read as follows:

- (1) The K-3 class size reduction construction grant pilot program must be administered by the office of the superintendent of public instruction within the provisions of this section. Grants must be calculated and awarded based on the following four steps:
- (a) Step 1: A verified count of necessary added classrooms in a district applying for a grant must be completed by the district and verified by the Washington State University extension energy office. The count of necessary added classrooms must be calculated in accordance with the following requirements:
- (i) An inventory of all classrooms in all elementary schools in the district applying for the grant must be completed.
- (ii) For purposes of this section, elementary school is any district school facility containing students in kindergarten through fifth grade or sixth grade. All classrooms include any room in an elementary school in a permanent or portable structure that is in use as a classroom or that could be used as a classroom if one of the following conditions are met:
- (A) A classroom in a permanent building was designed as a classroom at the time the school was constructed or was subsequently added as part of a modernization or renovation.
- (B) A classroom in a portable building meets the building code requirements for use as a classroom without requiring repairs or renovations that exceed fifty thousand dollars.

The count of all district classrooms must also include all planned elementary school classrooms in projects approved at the "D6" stage or later of

the school construction assistance program. This inventory of classrooms must be entered in the inventory and condition of school system maintained by the office of the superintendent of public instruction.

- (iii) A count of available classrooms in each elementary school in a district must be completed. Available classrooms include all classrooms inventoried in (a)(i) of this subsection minus:
- (A) Classrooms in elementary schools that are regularly used for students in grades seventh or higher;
- (B) Classrooms in elementary schools that are regularly used for prekindergarten students participating in special education programs;
- (C) Classrooms in elementary schools that are regularly used for prekindergarten students not participating in special education programs if such use started prior to the effective date of this section;
- (D) Seventy-five percent of classrooms in elementary schools that are regularly used for kindergarten through sixth grade students participating in special education programs;
- (E) Fifty percent of classrooms in elementary schools that are regularly used for students in gifted and talented education;
- (F) Fifty percent of classrooms in elementary schools that are regularly used for laboratory space, music, or art if such regular use exceeds fifty percent of school hours in the average week.
- (iv) A calculation of needed classrooms must be completed. The number of needed classrooms is calculated by dividing the number of students in each grade in the most recent final October head count by the average class size objectives for the 2017-18 school year enumerated in RCW 28A.150.260 in effect as of October 31, 2014. Students residing outside the school district who are enrolled in alternative learning experience courses under RCW 28A.232.010 must be excluded from the count of total pupils. In lieu of the exclusion in this subsection, a district may submit an alternative calculation for excluding students enrolled in alternative learning experience courses. The alternative calculation must show the student head count use of district classroom facilities on a regular basis for a reasonable duration by out-of-district alternative learning experience students subtracted by the head count of in-district alternative learning experience students not using district classroom facilities on a regular basis for a reasonable duration. The alternative calculation must be submitted in a form approved by the office of the superintendent of public instruction. The office of the superintendent of public instruction must develop rules to define "regular basis" and "reasonable duration." If the calculation of needed classrooms for fourth and fifth grade students using the average class size ratios in RCW 28A.150.260 is less than the actual number of classrooms regularly used for fourth and fifth grade students, the actual number of fourth and fifth grade classrooms may be used to calculate the total needed classrooms.
- (v) A calculation of necessary added classrooms must be completed for each school district applying for a grant. Necessary added classrooms are calculated by subtracting the available school district classrooms from the school district needed classrooms.
- (b) Step 2: A determination must be made whether the number of necessary added classrooms is sufficient to justify constructing a new school or modernizing a previously closed school, or whether the number of necessary

added classrooms can be provided with the addition of modular classrooms or increasing the number of classrooms in a planned school approved at the "D6" stage of the school construction assistance program.

- (i) If the number of necessary added classrooms is twelve or greater, the presumption is a new school is required. For this purpose a new school means a newly constructed school, an addition of twelve or more classrooms to an existing school, or modernization of a previously closed school. A school district may choose to locate any necessary added classrooms among existing school facilities.
- (ii) If the number of necessary added classrooms is less than twelve, the presumption is the added classrooms can be provided with the addition of modular classrooms or by increasing the number of classrooms in a planned school approved at the "D6" stage of the school construction assistance program. A school district may choose to provide necessary added classrooms with modular classrooms or construct new classrooms or modernize existing school buildings to create additional classrooms.
- (c) Step 3: A calculation of the grant amount a school district is eligible for must be determined.
- (i) Grants for necessary added classrooms that can be provided with the addition of modular classrooms must not exceed two hundred ten thousand dollars multiplied by the number of necessary added classrooms multiplied by the state matching ratio defined in (c)(iii) of this subsection.
- (ii) Grants for necessary added classrooms that must be provided with a new school or modernization of an existing school building must not exceed six hundred fifteen thousand eighty-three dollars multiplied by the number of necessary added classrooms multiplied by the state matching ratio defined in (c)(iii) of this subsection.
- (iii) The state matching ratio for use in this section only is the computed state ratio defined in RCW 28A.525.166 plus twenty percent of the percent of district head count eligible and enrolled in the free and reduced school lunch program.
- (iv) Grants may not exceed the total project cost for providing the necessary added classrooms multiplied by the state matching ratio defined in (c)(iii) of this subsection.
- (v) The amounts in (c)(i) and (ii) of this subsection must be increased for the fiscal year of the grant award by the same percentage increase as the school construction assistance program construction cost allocation is increased from fiscal year 2014 as authorized in the omnibus capital appropriations act.
- (d) Step 4: Grant funds must be awarded and disbursed in accordance with the following requirements:
- (i) A determination that the school district is ready to begin the project or projects to provide the necessary added classrooms must be made. To be determined ready, a district must:
 - (A) Have had classrooms inventoried in (a)(i) of this subsection;
- (B) Certify that the required local funds are authorized to complete the project;
 - (C) Have an available site or sites for the project; and
- (D) Demonstrate that additional classrooms will achieve progress towards the average class size objectives for the 2017-18 school year enumerated in

RCW 28A.150.260 in effect as of October 31, 2014, and all-day kindergarten as funded pursuant to RCW 28A.150.315.

- (ii) The office of financial management must approve allotments prior to issuing grant award letters. The office of the superintendent of public instruction must submit documentation to the office of financial management to justify the project grant award, including steps taken to verify counts and calculations, in requesting allotment approval.
- (iii) Grant funds may be disbursed only after the required local match has been fully expended.
- (2) If grant applications for the K-3 class size reduction construction grant pilot program exceed available funding, the office of the superintendent of public instruction must prioritize grant awards based on the following criteria in the following order of importance:
- (a) Applicants with high necessary added classrooms to available classrooms ratio in kindergarten through third grades;
- (b) Applicants with high student to teacher ratios in kindergarten through third grades;
- (c) Applicants with high percentages of students who are eligible and enrolled in the free and reduced-price meals program; and
- (d) Applicants that have not raised capital funds through levies or bonds in the prior ten-year period.
- (3) The superintendent of public instruction must report annually on the grants awarded and school district applicants. The report must include (a) grant amounts and the status of all awarded grants by school district; (b) data documenting actual class size reductions and all-day kindergarten achieved in school districts that have received grants provided under this section; (c) a list of school districts that applied for grants during the current and previous fiscal years with estimates of necessary added classrooms; and (d) any other information relevant to the pilot program. Beginning in 2015, the report must be submitted to the office of financial management and the appropriate committees of the legislature by December 1st.
 - (4) This section expires July 1, 2017.

PART 3: Development of K-3 Class Size Reduction Construction Grant Program

- <u>NEW SECTION.</u> **Sec. 301.** (1) The legislature recognizes that the provisions of the K-3 class size reduction construction grant pilot program will need modifications to (a) ensure that the grant program will meet the program's objectives for all school districts needing additional classrooms, and (b) identify changes to the school construction assistance program to improve appropriate coordination between the two grant programs.
- (2) In consultation with stakeholders, the office of financial management, and the appropriate committees of the legislature, the superintendent of public instruction shall develop (a) an improved method for calculating needed classrooms, and (b) an improved funding formula for calculating grant awards to meet the objectives of this section and section 201 of this act. The classroom counting method and funding formula must be informed by data collected in state studies and surveys or through inventory and condition assessments

conducted by the Washington State University extension energy office. The improved classroom counting method and improved funding formula, and any other requirements of this section, must be reported to the office of financial management and the appropriate committees of the legislature by December 1, 2015.

- (3)(a) The improved classroom counting method must:
- (i) Demonstrate a lack of sufficient classroom space district-wide to meet K-3 class size ratios as funded pursuant to average class size objectives for the 2017-18 school year enumerated in RCW 28A.150.260 in effect as of October 31, 2014, and to provide all-day kindergarten as funded pursuant to RCW 28A.150.315. The determination that there is a lack of sufficient space must be based on data collected in a state study and survey conducted within the preceding six years from the date of grant application or data collected through an inventory and condition assessment validated by the Washington State University extension energy office within the preceding six years from the date of grant application;
- (ii) For school districts with student headcount enrollments more than fortyeight thousand, the improved classroom counting method must demonstrate a lack of sufficient classroom space within subdistrict areas in order to account for rapid growth in certain areas of a district that should be met with classroom capacity in those certain areas to avoid prolonged bussing of elementary students
- (b) The improved classroom counting method must be designed to ensure that additional classrooms will achieve average class size objectives for the 2017-18 school year enumerated in RCW 28A.150.260 in effect as of October 31, 2014, and all-day kindergarten as funded pursuant to RCW 28A.150.315.
- (4)(a) In consultation with stakeholders, the office of financial management, and the appropriate committees of the legislature, the superintendent of public instruction must also recommend a process for prioritizing grant applications. The prioritization process must produce one prioritized list of grant recipients that includes all of the projects requested by school districts, and report the list, including preliminary estimates of necessary added classrooms, to the office of financial management and the appropriate committees of the legislature.
 - (b) The prioritized list must consider the following priorities:
- (i) Applicants with high student to teacher ratios in kindergarten through third grades;
- (ii) Applicants with a high percentage of students who are eligible and enrolled in the free and reduced-price meals program;
- (iii) Applicants that have not raised capital funds through levies or bonds in the prior ten-year period;
 - (iv) Other criteria that relate to the objectives of the grant program.
- (5) The improved funding formula must consider options for enhanced state funding for school districts that have not raised capital funds through levies or bonds in the prior ten-year period.
- (6) In consultation with stakeholders, the office of financial management, and the appropriate committees of the legislature, the office of the superintendent of public instruction must recommend statutory and rule changes to ensure appropriate coordination between the K-3 class size reduction construction grant program and the school construction assistance program. The

recommendation must include ways to ensure that new square footage funded through this grant program does not impair a school district's eligibility for modernization or replacement grants through the school construction assistance program eligibility under RCW 28A.525.166.

- (7) In consultation with stakeholders, the office of financial management, and the appropriate committees of the legislature, the superintendent of public instruction must recommend the content and method for reporting annually on the grants awarded during each fiscal year. The report must include, at least, the grant amounts and the status of all awarded grants by school district. The annual report must also include data documenting actual class size reductions and all-day kindergarten achieved in school districts that have received grants provided under this section. Beginning in 2016, the report must be submitted to the office of financial management and the appropriate committees of the legislature by October 1st for the preceding fiscal year and made available to the public on a web site maintained by the superintendent of public instruction.
- (8) In consultation with stakeholders, the office of financial management, and the appropriate committees of the legislature, the superintendent of public instruction must recommend statutory and rule changes for awarding grants for construction, modernization, or replacement of school facilities with an expected useful life of less than thirty years.

PART 4: Miscellaneous

<u>NEW SECTION.</u> **Sec. 401.** 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.

<u>NEW SECTION.</u> **Sec. 402.** If specific funding for the purposes of section 201 of this act, referencing section 201 of this act by bill or chapter number and section number, is not provided by July 15, 2015, in the omnibus capital appropriations act, section 201 of this act is null and void.

<u>NEW SECTION.</u> **Sec. 403.** 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.

Passed by the Senate June 30, 2015.
Passed by the House June 30, 2015.
Approved by the Governor July 14, 2015.
Filed in Office of Secretary of State July 14, 2015.

CHAPTER 42

[Senate Bill 6145]

K-12 EDUCATION--HIGH SCHOOL SCIENCE ASSESSMENT--DELAY

AN ACT Relating to delaying for two years the high school graduation requirement of meeting the state standard on the high school science assessment; amending RCW 28A.655.061; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** The legislature finds that the graduating class of 2015 is the first class required to meet the state standard on the state science assessment. The legislature recognizes that the educational system needs more time before this graduation requirement is implemented. Therefore, the sole purpose of the legislature with this legislation is to delay for no more than two years, but not eliminate, the requirement that students must meet the state standard on the science assessment.

- **Sec. 2.** RCW 28A.655.061 and 2013 2nd sp.s. c 22 s 2 are each amended to read as follows:
- (1) The high school assessment system shall include but need not be limited to the statewide student assessment, opportunities for a student to retake the content areas of the assessment in which the student was not successful, and, if approved by the legislature pursuant to subsection (10) of this section, one or more objective alternative assessments for a student to demonstrate achievement of state academic standards. The objective alternative assessments for each content area shall be comparable in rigor to the skills and knowledge that the student must demonstrate on the statewide student assessment for each content area.
- (2) Subject to the conditions in this section, a certificate of academic achievement shall be obtained and is evidence that the students have successfully met the state standard in the content areas included in the certificate. With the exception of students satisfying the provisions of RCW 28A.155.045 or 28A.655.0611, acquisition of the certificate is required for graduation from a public high school but is not the only requirement for graduation.
- (3)(a) Beginning with the graduating class of 2008 through the graduating class of 2015, with the exception of students satisfying the provisions of RCW 28A.155.045, a student who meets the state standards on the reading, writing, and mathematics high school statewide student assessment shall earn a certificate of academic achievement. The mathematics assessment shall be the end-of-course assessment for the first year of high school mathematics that assesses the standards common to algebra I and integrated mathematics I or the end-of-course assessment for the second year of high school mathematics that assesses standards common to geometry and integrated mathematics II.
- (b) As the state transitions from reading and writing assessments to an English language arts assessment and from end-of-course assessments to a comprehensive assessment for high school mathematics, a student in a graduating class of 2016 through 2018 shall earn a certificate of academic achievement if the student meets the state standard as follows:
 - (i) Students in the graduating class of 2016 may use the results from:
- (A) The reading and writing assessment or the English language arts assessment developed with the multistate consortium; and
- (B) The end-of-course assessment for the first year of high school mathematics, the endofcourse assessment for the second year of high school mathematics, or the comprehensive mathematics assessment developed with the multistate consortium.
- (ii) Students in the graduating classes of 2017 and 2018 may use the results from:

- (A) The tenth grade English language arts assessment developed by the superintendent of public instruction using resources from the multistate consortium or the English language arts assessment developed with the multistate consortium; and
- (B) The end-of-course assessment for the first year of high school mathematics, the endofcourse assessment for the second year of high school mathematics, or the comprehensive mathematics assessment developed with the multistate consortium.
- (c) Beginning with the graduating class of 2019, a student who meets the state standards on the high school English language arts assessment developed with the multistate consortium and the comprehensive mathematics assessment developed with the multistate consortium shall earn a certificate of academic achievement.
- (d) If a student does not successfully meet the state standards in one or more content areas required for the certificate of academic achievement, then the student may retake the assessment in the content area at least twice a year at no cost to the student. If the student successfully meets the state standards on a retake of the assessment then the student shall earn a certificate of academic achievement. Once objective alternative assessments are authorized pursuant to subsection (10) of this section, a student may use the objective alternative assessments to demonstrate that the student successfully meets the state standards for that content area if the student has taken the statewide student assessment at least once. If the student successfully meets the state standards on the objective alternative assessments then the student shall earn a certificate of academic achievement.
- (4) Beginning with the graduating class of ((2015)) 2017, a student must meet the state standards in science in addition to the other content areas required under subsection (3) of this section on the statewide student assessment, a retake, or the objective alternative assessments in order to earn a certificate of academic achievement.
- (5) The state board of education may not require the acquisition of the certificate of academic achievement for students in home-based instruction under chapter 28A.200 RCW, for students enrolled in private schools under chapter 28A.195 RCW, or for students satisfying the provisions of RCW 28A.155.045.
- (6) A student may retain and use the highest result from each successfully completed content area of the high school assessment.
 - (7) School districts must make available to students the following options:
- (a) To retake the statewide student assessment at least twice a year in the content areas in which the student did not meet the state standards if the student is enrolled in a public school; or
- (b) To retake the statewide student assessment at least twice a year in the content areas in which the student did not meet the state standards if the student is enrolled in a high school completion program at a community or technical college. The superintendent of public instruction and the state board for community and technical colleges shall jointly identify means by which students in these programs can be assessed.
- (8) Students who achieve the standard in a content area of the high school assessment but who wish to improve their results shall pay for retaking the

assessment, using a uniform cost determined by the superintendent of public instruction.

- (9) Opportunities to retake the assessment at least twice a year shall be available to each school district.
- (10)(a) The office of the superintendent of public instruction shall develop options for implementing objective alternative assessments, which may include an appeals process for students' scores, for students to demonstrate achievement of the state academic standards. The objective alternative assessments shall be comparable in rigor to the skills and knowledge that the student must demonstrate on the statewide student assessment and be objective in its determination of student achievement of the state standards. Before any objective alternative assessments in addition to those authorized in RCW 28A.655.065 or (b) of this subsection are used by a student to demonstrate that the student has met the state standards in a content area required to obtain a certificate, the legislature shall formally approve the use of any objective alternative assessments through the omnibus appropriations act or by statute or concurrent resolution.
- (b)(i) A student's score on the mathematics, reading or English, or writing portion of the SAT or the ACT may be used as an objective alternative assessment under this section for demonstrating that a student has met or exceeded the state standards for the certificate of academic achievement. The state board of education shall identify the scores students must achieve on the relevant portion of the SAT or ACT to meet or exceed the state standard in the relevant content area on the statewide student assessment. A student's score on the science portion of the ACT or the science subject area tests of the SAT may be used as an objective alternative assessment under this section as soon as the state board of education determines that sufficient data is available to identify reliable equivalent scores for the science content area of the statewide student assessment. After the first scores are established, the state board may increase but not decrease the scores required for students to meet or exceed the state standards.
- (ii) A student who scores at least a three on the grading scale of one to five for selected AP examinations may use the score as an objective alternative assessment under this section for demonstrating that a student has met or exceeded state standards for the certificate of academic achievement. A score of three on the AP examinations in calculus or statistics may be used as an alternative assessment for the mathematics portion of the statewide student assessment. A score of three on the AP examinations in English language and composition may be used as an alternative assessment for the writing portion of the statewide student assessment; and for the English language arts portion of the assessment developed with the multistate consortium, once established in the 2014-15 school year. A score of three on the AP examinations in English literature and composition, macroeconomics, microeconomics, psychology, United States history, world history, United States government and politics, or comparative government and politics may be used as an alternative assessment for the reading portion of the statewide student assessment; and for the English language arts portion of the assessment developed with the multistate consortium, once established in the 2014-15 school year. A score of three on the AP examination in biology, physics, chemistry, or environmental science may be

used as an alternative assessment for the science portion of the statewide student assessment

- (iii) A student who scores at least a four on selected externally administered international baccalaureate (IB) examinations may use the score as an objective alternative assessment under this section for demonstrating that the student has met or exceeded state standards for the certificate of academic achievement. A score of four on the higher level IB examinations for any of the IB English language and literature courses or for any of the IB individuals and societies courses may be used as an alternative assessment for the reading, writing, or English language arts portions of the statewide student assessment. A score of four on the higher level IB examinations for any of the IB mathematics courses may be used as an alternative assessment for the mathematics portion of the statewide student assessment. A score of four on the higher level IB examinations for IB biology, chemistry, or physics may be used as an alternative assessment for the science portion of the statewide student assessment.
- (11) To help assure continued progress in academic achievement as a foundation for high school graduation and to assure that students are on track for high school graduation, each school district shall prepare plans for and notify students and their parents or legal guardians as provided in this subsection. Student learning plans are required for eighth grade students who were not successful on any or all of the content areas of the state assessment during the previous school year or who may not be on track to graduate due to credit deficiencies or absences. The parent or legal guardian shall be notified about the information in the student learning plan, preferably through a parent conference and at least annually. To the extent feasible, schools serving English language learner students and their parents shall translate the plan into the primary language of the family. The plan shall include the following information as applicable:
 - (a) The student's results on the state assessment;
- (b) If the student is in the transitional bilingual program, the score on his or her Washington language proficiency test II;
 - (c) Any credit deficiencies;
 - (d) The student's attendance rates over the previous two years;
- (e) The student's progress toward meeting state and local graduation requirements;
- (f) The courses, competencies, and other steps needed to be taken by the student to meet state academic standards and stay on track for graduation;
- (g) Remediation strategies and alternative education options available to students, including informing students of the option to continue to receive instructional services after grade twelve or until the age of twenty-one;
- (h) The alternative assessment options available to students under this section and RCW 28A.655.065;
- (i) School district programs, high school courses, and career and technical education options available for students to meet graduation requirements; and
- (j) Available programs offered through skill centers or community and technical colleges, including the college high school diploma options under RCW 28B.50.535.

WASHINGTON LAWS, 2015

<u>NEW SECTION.</u> **Sec. 3.** Section 2 of this act applies retroactively to students in the graduating class of 2015, and prospectively beginning with students in the graduating class of 2016.

Passed by the Senate July 9, 2015. Passed by the House July 10, 2015. Approved by the Governor July 14, 2015. Filed in Office of Secretary of State July 14, 2015.

CHAPTER 43

[Second Engrossed Substitute Senate Bill 5988] TRANSPORTATION BUDGET--ADDITIVE

AN ACT Relating to additive transportation funding and appropriations; amending RCW 46.68.030, 46.68.060, 46.68.280, 46.68.290, and 47.60.530; amending 2015 1st sp.s. c 10 s 212 (uncodified); creating new sections; making appropriations; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

- <u>NEW SECTION.</u> **Sec. 1.** (1) An additive transportation budget of the state is hereby adopted and, subject to the provisions set forth, the several amounts specified, or as much thereof as may be necessary to accomplish the purposes designated, are hereby appropriated from the several accounts and funds named to the designated state agencies and offices for employee compensation and other expenses, for capital projects, and for other specified purposes, including the payment of any final judgments arising out of such activities, for the period ending June 30, 2017.
- (2) It is the intent of the legislature that the funding levels specified in LEAP Transportation Document 2015 NL-2 as developed June 28, 2015, represents a commitment to provide appropriations to the agencies, programs, and activities at the amounts identified therein through fiscal year 2031.
- (3) Unless the context clearly requires otherwise, the definitions in this subsection apply throughout this act.
- (a) "Fiscal year 2016" or "FY 2016" means the fiscal year ending June 30, 2016.
- (b) "Fiscal year 2017" or "FY 2017" means the fiscal year ending June 30, 2017.
 - (c) "FTE" means full-time equivalent.
- (d) "Lapse" or "revert" means the amount shall return to an unappropriated status.
- (e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose that is not expended subject to the specified conditions and limitations to fulfill the specified purpose shall lapse.
- (f) "Reappropriation" means appropriation and, unless the context clearly provides otherwise, is subject to the relevant conditions and limitations applicable to appropriations.
- (g) "LEAP" means the legislative evaluation and accountability program committee.
 - (h) "TEIS" means the transportation executive information system.

2015-2017 FISCAL BIENNIUM TRANSPORTATION AGENCIES—OPERATING

$\underline{\text{NEW SECTION}}$. Sec. 201. FOR THE JOINT TRANSPORTATION COMMITTEE

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

- (1) \$450,000 of the motor vehicle account—state appropriation is for the joint transportation committee for the design-build contracting review study established in chapter . . . (Second Engrossed Substitute Senate Bill No. 5997), Laws of 2015 3rd sp. sess. The department of transportation must provide technical assistance, as necessary. If chapter . . . (Second Engrossed Substitute Senate Bill No. 5997), Laws of 2015 3rd sp. sess. is not enacted by July 31, 2015, the amount provided in this subsection lapses.
- (2) The joint transportation committee must study the issues surrounding minority and women-owned business contracting related to the transportation sector. The study should identify any best practices adopted in other states that encourage participation by minority and women-owned businesses. The joint transportation committee, with direction from the executive committee, may form a legislative task force at the conclusion of the study to help to inform the legislature of any best practices identified from other states that encourage minority and women-owned businesses' participation in the transportation sector.

$\underline{\text{NEW}}$ SECTION. Sec. 202. FOR THE DEPARTMENT OF LICENSING

The appropriation in this section is subject to the following conditions and limitations: \$4,000,000 of the motor vehicle account—state appropriation is provided solely for implementation of chapter . . . (Engrossed Substitute Senate Bill No. 5987) (transportation revenue), Laws of 2015 3rd sp. sess.

NEW SECTION. Sec. 203. FOR THE DEPARTMENT OF TRANSPORTATION—ECONOMIC PARTNERSHIPS—PROGRAM K

Electric Vehicle Charging Infrastructure

The appropriation in this section is subject to the following conditions and limitations: \$1,000,000 of the electric vehicle charging infrastructure account—state appropriation is provided solely for the purpose of capitalizing the Washington electric vehicle infrastructure bank as provided in chapter . . . (Engrossed Substitute Senate Bill No. 5987), Laws of 2015 3rd sp. sess.

*NEW SECTION. Sec. 204. FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE—PROGRAM M Motor Vehicle Account. State Appropriation. \$6.250,000

The appropriation in this section is subject to the following conditions and limitations: During the 2015-2017 fiscal biennium, in instances on private property when naturally occurring beaver dams and the water contained

behind the dams pose an imminent threat to Washington state highway infrastructure, personal property, and individual safety in the event of dam failure, the department shall: (1) Notify the private property owner or owners of the threat; (2) perform a risk assessment to the state highway infrastructure, personal property, and public safety or loss of life; (3) coordinate with the department of fish and wildlife to perform an environmental risk assessment and develop a suggested beaver management plan to reduce or eliminate the risk of failure; and (4) produce a joint agency management plan with the department of fish and wildlife for the site and involve local jurisdictions and nongovernmental organizations to help execute the recommendations as devised by the state agencies. Further, within that joint agency management plan, the department and department of fish and wildlife shall identify and prioritize potential remedies to include culvert replacement, infrastructure upgrade, wildlife management tools, dam maintenance, water level controls, and any other identifiable solution.

Sec. 204 is partially vetoed. See message at end of chapter.

<u>NEW SECTION.</u> Sec. 206. FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S

The appropriation in this section is subject to the following conditions and limitations: \$750,000 of the motor vehicle account—state appropriation is provided solely for a grant program that makes awards for the following: (1) Support for nonproject agencies, churches, and other entities to help provide outreach to populations underrepresented in the current apprenticeship programs; (2) preapprenticeship training; and (3) child care, transportation, and other supports that are needed to help women and minorities enter and succeed in apprenticeship. The department must report on grants that have been awarded and the amount of funds disbursed by December 1, 2016, and annually thereafter

<u>NEW SECTION.</u> Sec. 207. FOR THE DEPARTMENT OF TRANSPORTATION—PUBLIC TRANSPORTATION—PROGRAM V Regional Mobility Grant Program Account—State

Appropriation. \$6,250,000

Rural Mobility Grant Program Account—State
Appropriation. \$3,438,000

Multimodal Transportation Account—State Appropriation. \$22,109,000

TOTAL APPROPRIATION. \$31,797,000

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

(1)(a) \$13,890,000 of the multimodal transportation account—state appropriation is provided solely for projects identified in LEAP Transportation Document 2015 NL-3 as developed June 28, 2015. Except as provided otherwise in this subsection, funds must first be used for projects that are identified as

priority one projects. As additional funds become available or if a priority one project is delayed, funding must be provided to priority two projects. If a higher priority project is bypassed, it must be funded when the project is ready. The department must submit a report annually with its budget submittal that, at a minimum, includes information about the listed transit projects that have been funded and projects that have been bypassed, including an estimated time frame for when the bypassed project will be funded.

- (b) \$831,000 of the amount provided in (a) of this subsection is provided solely for Skagit transit system enhancements for expenditure in 2015-2017.
- (c) \$2,300,000 of the amount provided in (a) of this subsection is provided solely for Island transit's tri-county connector service for expenditure in 2015-2017
- (2) \$5,000,000 of the multimodal transportation account—state appropriation is provided solely for grants to transit agencies to transport persons with special transportation needs. Grants for transit agencies must be prorated based on the amount expended for demand response service and route deviated service in calendar year 2013 as reported in the "Summary of Public Transportation 2013" published by the department of transportation. No transit agency may receive more than thirty percent of these distributions.
- (3) \$1,250,000 of the multimodal transportation account—state appropriation is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers must be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost-effectiveness of trips provided.
- (4) \$3,438,000 of the rural mobility grant program account—state appropriation is provided solely for grants to aid small cities in rural areas as prescribed in RCW 47.66.100.
- (5) \$969,000 of the multimodal transportation account—state appropriation is provided solely for a vanpool grant program for: (a) Public transit agencies to add vanpools or replace vans; and (b) incentives for employers to increase employee vanpool use. The grant program for public transit agencies must cover capital costs only. Operating costs for public transit agencies are not eligible for funding under this grant program. Additional employees may not be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. The department must encourage grant applicants and recipients to leverage funds other than state funds.
- (6) \$1,000,000 of the multimodal transportation account—state appropriation is provided solely for transit coordination grants.
- (7) \$6,250,000 of the regional mobility grant program account—state appropriation is provided solely for the regional mobility grant program.

TRANSPORTATION AGENCIES—CAPITAL

<u>NEW SECTION.</u> Sec. 301. FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD

Freight Mobility Investment Account—State Appropriation \$1,922,000 Freight Mobility Multimodal Account—State Appropriation \$1,922,000

\$3,844,000

TOTAL APPROPRIATION

101AL ATTROTRIATION					
NEW SECTION	ON. Sec.	302.	FOR	THE	TRANSPORTATION
IMPROVEMENT I	BOARD				
Transportation Improvement Account—State					
Appropriation					\$2,188,000
Multimodal Transportation Account—State					
Appropriation					\$3,313,000
TOTAL APPROPRIATION					

The appropriations in this section are subject to the following conditions and limitations: \$3,313,000 of the multimodal transportation account—state appropriation is provided solely for the complete streets program.

NEW SECTION Sec. 303. FOR THE COUNTY ROAD ADMINISTRATION BOARD Rural Arterial Trust Account—State Appropriation......\$1,094,000 County Arterial Preservation Account—State Appropriation......\$1,094,000

NEW SECTION. Sec. 304. FOR THE DEPARTMENT OF TRANSPORTATION—FACILITIES—PROGRAM D—(DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)

Connecting Washington Account—State Appropriation \$20,000,000

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

- (1) Except as provided otherwise in this section, the entire connecting Washington account appropriation is provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program Highway Management and Facilities Program (D).
- (2) \$10,000,000 of the connecting Washington account—state appropriation is provided solely for a new Olympic region maintenance and administration facility to be located on the department-owned site at the intersection of Marvin Road and 32nd Avenue. The property purchase was approved by the 2005 legislature for the site of the new Olympic region and the land was acquired by the department in August 2005. The department must work with the office of financial management's facilities oversight program to develop a revised predesign for a new Olympic region facility, with an estimated total cost of no more than forty million dollars. Priority must be given to accommodating the maintenance and operations functions of the Olympic region. The department must provide a copy of the revised predesign to the transportation committees of the legislature by December 2015.

<u>NEW SECTION.</u> Sec. 305. FOR THE DEPARTMENT OF TRANSPORTATION—IMPROVEMENTS—PROGRAM I

Connecting Washington Account—State Appropriation \$229,025,000

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

(1) Except as provided otherwise in this section, the entire connecting Washington account appropriation is provided solely for the projects and

activities as listed by fund, project, and amount in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program - Highway Improvements Program (I).

- (2) It is the intent of the legislature that for the I-5 JBLM Corridor Improvements project (M00100R), the department shall actively pursue \$50,000,000 in federal funds to pay for this project to supplant state funds in the future. \$50,000,000 in connecting Washington account funding must be held in unallotted status during the 2021-2023 fiscal biennium. These funds may only be used after the department has provided notice to the office of financial management that it has exhausted all efforts to secure federal funds from the federal highway administration and the department of defense.
- (3) Of the amounts allocated to the Puget Sound Gateway project (M00600R) in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, \$4,000,000 must be used to complete the bridge connection at 28th/24th Street over state route number 509 in the city of SeaTac. The bridge connection must be completed prior to other construction on the state route number 509 segment of the project.
- (4) In making budget allocations to the Puget Sound Gateway project, the department shall implement the project's construction as a single corridor investment. The department shall develop a coordinated corridor construction and implementation plan for state route number 167 and state route number 509 in collaboration with affected stakeholders. Specific funding allocations must be based on where and when specific project segments are ready for construction to move forward and investments can be best optimized for timely project completion. Emphasis must be placed on avoiding gaps in fund expenditures for either project.
- (5) It is the intent of the legislature that, for the I-5/North Lewis County Interchange project (L2000204), the department develop and design the project with the objective of significantly improving access to the industrially zoned properties in north Lewis county. The design must consider the county's process of investigating alternatives to improve such access from Interstate 5 that began in March 2015.

<u>NEW SECTION.</u> Sec. 306. FOR THE DEPARTMENT OF TRANSPORTATION—PRESERVATION—PROGRAM P

Connecting Washington Account—State Appropriation \$79,263,000

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

- (1) Except as provided otherwise in this section, the entire connecting Washington account appropriation in this section is provided solely for the projects and activities as listed in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program Highway Preservation Program (P).
- (2) It is the intent of the legislature that, with respect to the amounts provided for highway preservation from the connecting Washington account, the department consider the preservation and rehabilitation of concrete roadway on Interstate 5 from the Canadian border to the Oregon border to be a priority within the preservation program.

NEW SECTION. Sec. 307. FOR THE DEPARTMENT OF TRANSPORTATION—WASHINGTON STATE FERRIES CONSTRUCTION—PROGRAM W

Connecting Washington Account—State Appropriation \$41,805,000

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

- (1) Except as provided otherwise in this section, the entire connecting Washington account appropriation in this section is provided solely for the projects and activities as listed in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program Washington State Ferries Capital Program (W).
- (2) Within existing resources, the department must evaluate the feasibility of utilizing the federal EB-5 immigrant investor program for financing the construction of a safety of life at sea (SOLAS) certificated vessel for the Anacortes-Sidney ferry route. The department must establish a group that includes, but is not limited to, the department of commerce and entities or individuals experienced with vessel engineering and EB-5 financing for assistance in evaluating the applicability of the EB-5 immigrant investor program. The department must deliver a report containing the results of the evaluation to the transportation committees of the legislature and the office of financial management by December 1, 2015.
- (3) It is the intent of the legislature, over the sixteen-year new investment program, to provide \$96,052,000 in state funds to complete the Seattle Terminal Replacement project (900010L), including: (a) Design work and selection of a preferred plan, (b) replacing timber pilings with pilings sufficient to support a selected terminal design, (c) replacing the timber portion of the dock with a new and reconfigured steel and concrete dock, and (d) other staging and construction work as the amount allows. These funds are identified in the LEAP transportation document referenced in subsection (1) of this section.
- (4) It is the intent of the legislature, over the sixteen-year new investment program, to provide \$122,000,000 in state funds to complete the acquisition of a fourth 144-car vessel (L2000109). These funds are identified in the LEAP transportation document referenced in subsection (1) of this section.
- (5) It is the intent of the legislature, over the sixteen-year new investment program, to provide \$68,600,000 in state funds to complete the Mukilteo Terminal Replacement project (952515P). These funds are identified in the LEAP transportation document referenced in subsection (1) of this section. To the greatest extent practicable and within available resources, the department shall design the new terminal to be a net zero energy building. To achieve this goal, the department shall evaluate using highly energy efficient equipment and systems, and the most appropriate renewable energy systems for the needs and location of the terminal.

<u>NEW SECTION.</u> Sec. 308. FOR THE DEPARTMENT OF TRANSPORTATION—RAIL—PROGRAM Y

Multimodal Transportation Account—State

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

- (1) Except as provided otherwise in this section, the entire appropriation in this section is provided solely for the projects and activities as listed in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program Rail Program (Y).
- (2) \$970,000 of the multimodal transportation account—state appropriation is provided solely for freight rail assistance program grants (L1000143). The department shall issue a call for projects for the program, and shall evaluate the applications in a manner consistent with past practices as specified in section 309, chapter 367, Laws of 2011. By December 1, 2015, the department shall submit a prioritized list of recommended projects to the office of financial management and the transportation committees of the legislature.

<u>NEW SECTION.</u> Sec. 309. FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z

Motor Vehicle Account—Federal Appropriation	. \$5,300,000
Multimodal Transportation Account—State Appropriation	\$13,494,000
Connecting Washington Account—State Appropriation	\$49,054,000
TOTAL APPROPRIATION	\$67,848,000

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

- (1) Except as provided otherwise in this section, the entire connecting Washington account appropriation is provided solely for the projects and activities as listed by fund, project, and amount in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015, Program Local Programs (Z).
- (2) \$2,344,000 of the multimodal transportation account—state appropriation is provided solely for the pedestrian and bicycle safety grant program (L2000188).
- (3) \$1,750,000 of the multimodal transportation account—state appropriation and \$5,300,000 of the motor vehicle account—federal appropriation are provided solely for newly selected safe routes to schools projects (L2000189). The department may consider the special situations facing high-need areas, as defined by schools or project areas in which the percentage of the children eligible to receive free and reduced-price meals under the national school lunch program is equal to, or greater than, the state average as determined by the department, when evaluating project proposals against established funding criteria while ensuring continued compliance with federal eligibility requirements.
- (4) \$9,400,000 of the multimodal transportation account—state appropriation is provided solely for bicycle and pedestrian projects listed in LEAP Transportation Document 2015 NL-4 as developed June 28, 2015. Funds must first be used for projects that are identified as priority one projects. As additional funds become available or if a priority one project is delayed, funding must be provided to priority two projects and then to priority three projects. If a higher priority project is bypassed, it must be funded in the first round after the project is ready. If funds become available as a result of projects being removed from this list or completed under budget, the department may submit additional bicycle and pedestrian safety projects for consideration by the legislature. The department must submit a report annually with its budget submittal that, at a

minimum, includes information about the listed bicycle and pedestrian projects that have been funded and projects that have been bypassed, including an estimated time frame for when the project will be funded.

TRANSFERS AND DISTRIBUTIONS

NEW SECTION. Sec. 401. FOR THE STATE TREASURER—
ADMINISTRATIVE TRANSFERS
(1) State Patrol Highway Account—State Appropriation:
For transfer to the Connecting Washington Account—State \$9,690,000
(2) Transportation Partnership Account—State
Appropriation: For transfer to the Connecting Washington
Account—State
(3) Motor Vehicle Account—State Appropriation:
For transfer to the Connecting Washington Account—
State\$25,781,000
(4) Puget Sound Ferry Operations Account—State
Appropriation: For transfer to the Connecting Washington
Account—State\$596,000
(5) Transportation 2003 Account (Nickel Account)—State
Appropriation: For transfer to the Connecting Washington
Account—State
(6) Highway Safety Account—State Appropriation:
For transfer to the Multimodal Transportation
Account—State
(7) Motor Vehicle Account—State Appropriation:
For transfer to the Freight Mobility Investment
Account—State
(8) Motor Vehicle Account—State Appropriation:
For transfer to the Transportation Improvement
Account—State
(9) Motor Vehicle Account—State Appropriation:
For transfer to the Rural Arterial Trust Account—State\$1,094,000
(10) Motor Vehicle Account—State Appropriation:
For transfer to the County Arterial Preservation
Account—State
(11) Multimodal Transportation Account—State
Appropriation: For transfer to the Freight Mobility
Multimodal Account—State
(12) Multimodal Transportation Account—State
Appropriation: For transfer to the Regional Mobility
Grant Program Account—State
(13) Multimodal Transportation Account—State
Appropriation: For transfer to the Rural Mobility
Grant Program Account—State
(14) Multimodal Transportation Account—State
Appropriation: For transfer to the Electric Vehicle
Charging Infrastructure Account—State
(15) Capital Vessel Replacement Account—State

Appropriation: For transfer to the Connecting	
Washington Account—State	\$61,000,000
(16) Multimodal Transportation Account—State	
Appropriation: For transfer to the Connecting	
Washington Account—State	. \$8,000,000

IMPLEMENTING PROVISIONS

NEW SECTION. Sec. 501. STAFFING LEVELS

- (1) As the department of transportation prepares to deliver the projects funded by the 2015 transportation revenue package, the department shall quickly develop and implement the construction program business plan so that future staffing levels are sustainable and meet necessary skill sets. This can be done effectively and efficiently in close partnership with the private sector.
- (2) To this end, the department of transportation shall maintain the size of its engineering and technical workforce at levels that approximate the staffing levels currently in place, realizing that minor adjustments will be needed to meet project delivery goals.
- (3) To successfully deliver the highway construction program as funded, the department of transportation may continue to utilize private consulting firms for engineering and technical service delivery.
- (4) The department shall provide a report regarding engineering employee recruitment and retention issues affecting program oversight and delivery. In addition to salary survey market data, the report must consider employee compensation issues for engineering and technical positions that may hinder the recruitment and retention of a quality core workforce in preliminary engineering, design, and construction programs. The report must provide recommendations to the legislature and governor by June 30, 2016.
- <u>NEW SECTION.</u> **Sec. 502.** (1) By November 15, 2015, and annually thereafter, the department of transportation must report on amounts expended to benefit transit, bicycle, or pedestrian elements within all connecting Washington projects in programs I, P, and Z identified in LEAP Transportation Document 2015 NL-1 as developed June 28, 2015. The report must address each modal category separately and identify if eighteenth amendment protected funds have been used and, if not, the source of funding.
- (2) To facilitate the report in subsection (1) of this section, the department of transportation must require that all bids on connecting Washington projects include an estimate on the cost to implement any transit, bicycle, or pedestrian project elements.

MISCELLANEOUS

- **Sec. 601.** RCW 46.68.030 and 2011 c 171 s 85 are each amended to read as follows:
- (1) The director shall forward all fees for vehicle registrations under chapters 46.16A and 46.17 RCW, unless otherwise specified by law, to the state treasurer with a proper identifying detailed report. The state treasurer shall credit these moneys to the motor vehicle fund created in RCW 46.68.070.

- (2) Proceeds from vehicle license fees and renewal vehicle license fees must be deposited by the state treasurer as follows:
- (a) \$20.35 of each initial or renewal vehicle license fee must be deposited in the state patrol highway account in the motor vehicle fund, hereby created. Vehicle license fees, renewal vehicle license fees, and all other funds in the state patrol highway account must be for the sole use of the Washington state patrol for highway activities of the Washington state patrol, subject to proper appropriations and reappropriations.
- (b) \$2.02 of each initial vehicle license fee and \$0.93 of each renewal vehicle license fee must be deposited each biennium in the Puget Sound ferry operations account.
- (c) Any remaining amounts of vehicle license fees and renewal vehicle license fees that are not distributed otherwise under this section must be deposited in the motor vehicle fund.
- (3) During the 2015-2017 fiscal biennium, the legislature may transfer from the state patrol highway account to the connecting Washington account such amounts as reflect the excess fund balance of the state patrol highway account.
- **Sec. 602.** RCW 46.68.060 and 2013 c 306 s 717 are each amended to read as follows:

There is hereby created in the state treasury a fund to be known as the highway safety fund to the credit of which must be deposited all moneys directed by law to be deposited therein. This fund must be used for carrying out the provisions of law relating to driver licensing, driver improvement, financial responsibility, cost of furnishing abstracts of driving records and maintaining such case records, and to carry out the purposes set forth in RCW 43.59.010, and chapters 46.72 and 46.72A RCW. During the ((2011-2013 and)) 2013-2015 and 2015-2017 fiscal biennia, the legislature may transfer from the highway safety fund to the Puget Sound ferry operations account, the motor vehicle fund, and the multimodal transportation account such amounts as reflect the excess fund balance of the highway safety fund.

- **Sec. 603.** RCW 46.68.280 and 2003 c 361 s 601 are each amended to read as follows:
- (1) The transportation 2003 account (nickel account) is hereby created in the motor vehicle fund. Money in the account may be spent only after appropriation. Expenditures from the account must be used only for projects or improvements identified as transportation 2003 projects or improvements in the omnibus transportation budget and to pay the principal and interest on the bonds authorized for transportation 2003 projects or improvements. Upon completion of the projects or improvements identified as transportation 2003 projects or improvements, moneys deposited in this account must only be used to pay the principal and interest on the bonds authorized for transportation 2003 projects or improvements, and any funds in the account in excess of the amount necessary to make the principal and interest payments may be used for maintenance on the completed projects or improvements.
- (2) <u>During the 2015-2017 fiscal biennium</u>, the <u>legislature may transfer from</u> the transportation 2003 account (nickel account) to the connecting Washington account such amounts as reflect the excess fund balance of the transportation 2003 account (nickel account).

- (3) The "nickel account" means the transportation 2003 account.
- **Sec. 604.** RCW 46.68.290 and 2006 c 337 s 5 are each amended to read as follows:
- (1) The transportation partnership account is hereby created in the state treasury. All distributions to the account from RCW 46.68.090 must be deposited into the account. Money in the account may be spent only after appropriation. Expenditures from the account must be used only for projects or improvements identified as 2005 transportation partnership projects or improvements in the omnibus transportation appropriations act, including any principal and interest on bonds authorized for the projects or improvements.
 - (2) The legislature finds that:
- (a) Citizens demand and deserve accountability of transportation-related programs and expenditures. Transportation-related programs must continuously improve in quality, efficiency, and effectiveness in order to increase public trust;
- (b) Transportation-related agencies that receive tax dollars must continuously improve the way they operate and deliver services so citizens receive maximum value for their tax dollars; and
- (c) Fair, independent, comprehensive performance audits of transportationrelated agencies overseen by the elected state auditor are essential to improving the efficiency, economy, and effectiveness of the state's transportation system.
 - (3) For purposes of chapter 314, Laws of 2005:
- (a) "Performance audit" means an objective and systematic assessment of a state agency or agencies or any of their programs, functions, or activities by the state auditor or designee in order to help improve agency efficiency, effectiveness, and accountability. Performance audits include economy and efficiency audits and program audits.
- (b) "Transportation-related agency" means any state agency, board, or commission that receives funding primarily for transportation-related purposes. At a minimum, the department of transportation, the transportation improvement board or its successor entity, the county road administration board or its successor entity, and the traffic safety commission are considered transportation-related agencies. The Washington state patrol and the department of licensing shall not be considered transportation-related agencies under chapter 314, Laws of 2005.
- (4) Within the authorities and duties under chapter 43.09 RCW, the state auditor shall establish criteria and protocols for performance audits. Transportation-related agencies shall be audited using criteria that include generally accepted government auditing standards as well as legislative mandates and performance objectives established by state agencies. Mandates include, but are not limited to, agency strategies, timelines, program objectives, and mission and goals as required in RCW 43.88.090.
- (5) Within the authorities and duties under chapter 43.09 RCW, the state auditor may conduct performance audits for transportation-related agencies. The state auditor shall contract with private firms to conduct the performance audits.
 - (6) The audits may include:
- (a) Identification of programs and services that can be eliminated, reduced, consolidated, or enhanced;

- (b) Identification of funding sources to the transportation-related agency, to programs, and to services that can be eliminated, reduced, consolidated, or enhanced;
- (c) Analysis of gaps and overlaps in programs and services and recommendations for improving, dropping, blending, or separating functions to correct gaps or overlaps;
- (d) Analysis and recommendations for pooling information technology systems used within the transportation-related agency, and evaluation of information processing and telecommunications policy, organization, and management;
- (e) Analysis of the roles and functions of the transportation-related agency, its programs, and its services and their compliance with statutory authority and recommendations for eliminating or changing those roles and functions and ensuring compliance with statutory authority;
- (f) Recommendations for eliminating or changing statutes, rules, and policy directives as may be necessary to ensure that the transportation-related agency carry out reasonably and properly those functions vested in the agency by statute:
- (g) Verification of the reliability and validity of transportation-related agency performance data, self-assessments, and performance measurement systems as required under RCW 43.88.090;
- (h) Identification of potential cost savings in the transportation-related agency, its programs, and its services;
 - (i) Identification and recognition of best practices;
- (j) Evaluation of planning, budgeting, and program evaluation policies and practices;
 - (k) Evaluation of personnel systems operation and management;
- (l) Evaluation of purchasing operations and management policies and practices;
- (m) Evaluation of organizational structure and staffing levels, particularly in terms of the ratio of managers and supervisors to nonmanagement personnel; and
- (n) Evaluation of transportation-related project costs, including but not limited to environmental mitigation, competitive bidding practices, permitting processes, and capital project management.
- (7) Within the authorities and duties under chapter 43.09 RCW, the state auditor must provide the preliminary performance audit reports to the audited state agency for comment. The auditor also may seek input on the preliminary report from other appropriate officials. Comments must be received within thirty days after receipt of the preliminary performance audit report unless a different time period is approved by the state auditor. The final performance audit report shall include the objectives, scope, and methodology; the audit results, including findings and recommendations; the agency's response and conclusions; and identification of best practices.
- (8) The state auditor shall provide final performance audit reports to the citizens of Washington, the governor, the joint legislative audit and review committee, the appropriate legislative committees, and other appropriate officials. Final performance audit reports shall be posted on the internet.

(9) The audited transportation-related agency is responsible for follow-up and corrective action on all performance audit findings and recommendations. The audited agency's plan for addressing each audit finding and recommendation shall be included in the final audit report. The plan shall provide the name of the contact person responsible for each action, the action planned, and the anticipated completion date. If the audited agency does not agree with the audit findings and recommendations or believes action is not required, then the action plan shall include an explanation and specific reasons.

The office of financial management shall require periodic progress reports from the audited agency until all resolution has occurred. The office of financial management is responsible for achieving audit resolution. The office of financial management shall annually report by December 31st the status of performance audit resolution to the appropriate legislative committees and the state auditor. The legislature shall consider the performance audit results in connection with the state budget process.

The auditor may request status reports on specific audits or findings.

- (10) For the period from July 1, 2005, until June 30, 2007, the amount of \$4,000,000 is appropriated from the transportation partnership account to the state auditors office for the purposes of subsections (2) through (9) of this section.
- (11) During the 2015-2017 fiscal biennium, the legislature may transfer from the transportation partnership account to the connecting Washington account such amounts as reflect the excess fund balance of the transportation partnership account.
- **Sec. 605.** RCW 47.60.530 and 2011 1st sp.s. c 16 s 1 are each amended to read as follows:
- (1) The Puget Sound ferry operations account is created in the motor vehicle fund.
 - (2) The following funds must be deposited into the account:
 - (a) All moneys directed by law;
 - (b) All revenues generated from ferry fares; and
- (c) All revenues generated from commercial advertising, concessions, parking, and leases as allowed under RCW 47.60.140.
 - (3) Moneys in the account may be spent only after appropriation.
- (4) Expenditures from the account may be used only for the maintenance, administration, and operation of the Washington state ferry system.
- (5) During the 2015-2017 fiscal biennium, the legislature may transfer from the Puget Sound ferry operations account to the connecting Washington account such amounts as reflect the excess fund balance of the Puget Sound ferry operations account.

Sec. 606. 2015 1st sp.s c 10 s 212 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF TRANSPORTATION—AVIATION—PROGRAM F

Aeronautics Account—State Appropriation	. \$8,143,000
Aeronautics Account—Federal Appropriation	. \$4,100,000
Aeronautics Account—Private/Local Appropriation	\$60,000
TOTAL APPROPRIATION	\$12,303,000

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The appropriations in this section are subject to the following conditions and limitations: \$4,137,000 of the aeronautics account—state appropriation is provided solely for airport investment studies and the airport aid grant program, which provides competitive grants to public airports for pavement, safety, maintenance, planning, and security. Of this amount, \$637,000 lapses if chapter . . . (Substitute Senate Bill No. 5324), Laws of 2015 3rd sp. sess. (aircraft excise taxes) is not enacted by ((June 30)) July 31, 2015, chapter . . . (Substitute Senate Bill No. 6057) Laws of 2015 3rd sp. sess. (relating to revenue) is not enacted by July 31, 2015, and an expenditure to the aeronautics account is not provided in the 2015-2017 omnibus appropriations act by ((June 30)) July 31, 2015.

<u>NEW SECTION.</u> **Sec. 607.** 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.

<u>NEW SECTION.</u> **Sec. 608.** 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.

Passed by the Senate July 1, 2015.

Passed by the House July 10, 2015.

Approved by the Governor July 15, 2015, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State July 16, 2015.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 204, page 3, lines 31-35, and page 4, lines 1-15, Second Engrossed Substitute Senate Bill No. 5988 entitled:

"AN ACT Relating to additive transportation funding and appropriations."

Section 204, page 3, lines 31-35, and page 4, lines 1-15, Department of Transportation, Beaver Dams

This proviso creates a complicated process for managing beaver dams on private property that pose a threat to Washington state highways, individual personal property, and public safety. The proposed process would require the Washington State Department of Transportation to notify private property owners of impending threats from beaver dam failure, to produce wildlife management plans, and to provide potential remedies that could create liability for the state. Therefore, I have vetoed Section 204, page 3, lines 31-35, and page 4, lines 1-15.

For these reasons I have vetoed Section 204, page 3, lines 31-35, and page 4, lines 1-15 of Second Engrossed Substitute Senate Bill No. 5988.

With the exception of Section 204, page 3, lines 31-35, and page 4, lines 1-15, Second Engrossed Substitute Senate Bill No. 5988 is approved."

CHAPTER 44

[Second Engrossed Substitute Senate Bill 5987]

TRANSPORTATION REVENUE

AN ACT Relating to transportation revenue; amending RCW 82.36.025, 82.38.030, 82.38.030, 46.68.090, 46.68.090, 46.10.530, 79A.25.070, 46.17.355, 46.17.365, 46.17.323, 46.25.052, 46.25.060, 46.25.100, 46.20.202, 46.17.050, 46.17.060, 47.60.322, 46.12.650, 88.02.560, 88.02.640, 36.73.065, 82.80.140, 36.73.015, 82.14.045, 81.104.140, 81.104.160, 84.52.043, 84.52.043, 84.52.010, 84.52.010, 84.04.120, 81.104.180, 81.112.050, 81.112.210, 47.04.320, 47.04.325, 47.46.060, 46.63.170, 82.08.809, 82.12.809, 82.70.020, 82.70.040, 82.70.050, 82.70.900, 82.70.025, 82.70.060, 43.135.034, and 81.77.170; reenacting and amending RCW 43.84.092, 43.84.092, 46.09.520, and 81.104.170; reenacting RCW 46.09.520; adding new sections to chapter 46.68 RCW; adding a new section to chapter 46.37 RCW; adding new sections to chapter 36.57A RCW; adding a new section to chapter 82.14 RCW; adding a new section to chapter 82.80 RCW; adding new sections to chapter 81.104 RCW; adding a new section to chapter 47.04 RCW; adding a new section to chapter 82.44 RCW; adding a new section to chapter 82.04 RCW; adding a new section to chapter 82.16 RCW; adding a new section to chapter 82.32 RCW; adding a new section to chapter 81.112 RCW; adding a new section to chapter 43.79 RCW; adding a new chapter to Title 36 RCW; creating new sections; repealing RCW 82.36.029 and 82.38.083; repealing 2015 2nd sp.s. c . . . (SHB 1738) ss 2, 3, and 4; repealing 2012 c 74 s 11 (uncodified); prescribing penalties; providing effective dates; providing a contingent effective date; providing expiration dates; providing contingent expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

PART I MOTOR VEHICLE FUEL TAXES

- **Sec. 101.** RCW 82.36.025 and 2007 c 515 s 3 are each amended to read as follows:
- (1) A motor vehicle fuel tax rate of twenty-three cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.
- (2) Beginning July 1, 2003, an additional and cumulative motor vehicle fuel tax rate of five cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors. This subsection (2) expires when the bonds issued for transportation 2003 projects are retired.
- (3) Beginning July 1, 2005, an additional and cumulative motor vehicle fuel tax rate of three cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.
- (4) Beginning July 1, 2006, an additional and cumulative motor vehicle fuel tax rate of three cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.
- (5) Beginning July 1, 2007, an additional and cumulative motor vehicle fuel tax rate of two cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.
- (6) Beginning July 1, 2008, an additional and cumulative motor vehicle fuel tax rate of one and one-half cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.
- (7) Beginning August 1, 2015, an additional and cumulative motor vehicle fuel tax rate of seven cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.

- (8) Beginning July 1, 2016, an additional and cumulative motor vehicle fuel tax rate of four and nine-tenths cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.
- **Sec. 102.** RCW 82.38.030 and 2007 c 515 s 21 are each amended to read as follows:
- (1) There is hereby levied and imposed upon special fuel licensees, other than special fuel distributors, a tax at the rate of twenty-three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature.
- (2) Beginning July 1, 2003, an additional and cumulative tax rate of five cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors. This subsection (2) expires when the bonds issued for transportation 2003 projects are retired.
- (3) Beginning July 1, 2005, an additional and cumulative tax rate of three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.
- (4) Beginning July 1, 2006, an additional and cumulative tax rate of three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.
- (5) Beginning July 1, 2007, an additional and cumulative tax rate of two cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.
- (6) Beginning July 1, 2008, an additional and cumulative tax rate of one and one-half cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.
- (7) Beginning August 1, 2015, an additional and cumulative tax rate of seven cents per gallon of special fuel shall be imposed on special fuel licensees, other than special fuel distributors.
- (8) Beginning July 1, 2016, an additional and cumulative tax rate of four and nine-tenths cents per gallon of special fuel shall be imposed on special fuel licensees, other than special fuel distributors.
 - (9) Taxes are imposed when:
- (a) Special fuel is removed in this state from a terminal if the special fuel is removed at the rack unless the removal is to a licensed exporter for direct delivery to a destination outside of the state, or the removal is by a special fuel supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;
- (b) Special fuel is removed in this state from a refinery if either of the following applies:
- (i) The removal is by bulk transfer and the refiner or the owner of the special fuel immediately before the removal is not a licensee; or
- (ii) The removal is at the refinery rack unless the removal is to a licensed exporter for direct delivery to a destination outside of the state, or the removal is

to a special fuel supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;

- (c) Special fuel enters into this state for sale, consumption, use, or storage, unless the fuel enters this state for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320, if either of the following applies:
 - (i) The entry is by bulk transfer and the importer is not a licensee; or
 - (ii) The entry is not by bulk transfer;
- (d) Special fuel is sold or removed in this state to an unlicensed entity unless there was a prior taxable removal, entry, or sale of the special fuel;
- (e) Blended special fuel is removed or sold in this state by the blender of the fuel. The number of gallons of blended special fuel subject to tax is the difference between the total number of gallons of blended special fuel removed or sold and the number of gallons of previously taxed special fuel used to produce the blended special fuel;
- (f) Dyed special fuel is used on a highway, as authorized by the internal revenue code, unless the use is exempt from the special fuel tax;
- (g) Dyed special fuel is held for sale, sold, used, or is intended to be used in violation of this chapter;
- (h) Special fuel purchased by an international fuel tax agreement licensee under RCW 82.38.320 is used on a highway; and
- (i) Special fuel is sold by a licensed special fuel supplier to a special fuel distributor, special fuel importer, or special fuel blender and the special fuel is not removed from the bulk transfer-terminal system.
- **Sec. 103.** RCW 82.38.030 and 2014 c 216 s 201 are each amended to read as follows:
- (1) There is levied and imposed upon fuel licensees a tax at the rate of twenty-three cents per ((each)) gallon of fuel((, measured at standard pressure and temperature)).
- (2) Beginning July 1, 2003, an additional and cumulative tax rate of five cents per ((each)) gallon of fuel((, measured at standard pressure and temperature)) is imposed on fuel licensees. This subsection (2) expires when the bonds issued for transportation 2003 projects are retired.
- (3) Beginning July 1, 2005, an additional and cumulative tax rate of three cents per ((each)) gallon of fuel((, measured at standard pressure and temperature)) is imposed on fuel licensees.
- (4) Beginning July 1, 2006, an additional and cumulative tax rate of three cents per ((each)) gallon of fuel((, measured at standard pressure and temperature)) is imposed on fuel licensees.
- (5) Beginning July 1, 2007, an additional and cumulative tax rate of two cents per ((each)) gallon of fuel((, measured at standard pressure and temperature)) is imposed on fuel licensees.
- (6) Beginning July 1, 2008, an additional and cumulative tax rate of one and one-half cents per ((each)) gallon of fuel((, measured at standard pressure and temperature)) is imposed on fuel licensees.
- (7) <u>Beginning August 1, 2015, an additional and cumulative tax rate of seven cents per gallon of fuel is imposed on fuel licensees.</u>
- (8) Beginning July 1, 2016, an additional and cumulative tax rate of four and nine-tenths cents per gallon of fuel is imposed on fuel licensees.
 - (9) Taxes are imposed when:

- (a) Fuel is removed in this state from a terminal if the fuel is removed at the rack unless the removal is by a licensed supplier or distributor for direct delivery to a destination outside of the state, or the removal is by a fuel supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;
- (b) Fuel is removed in this state from a refinery if either of the following applies:
- (i) The removal is by bulk transfer and the refiner or the owner of the fuel immediately before the removal is not a licensed supplier; or
- (ii) The removal is at the refinery rack unless the removal is to a licensed supplier or distributor for direct delivery to a destination outside of the state, or the removal is to a licensed supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;
- (c) Fuel enters into this state for sale, consumption, use, or storage, unless the fuel enters this state for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320, if either of the following applies:
- (i) The entry is by bulk transfer and the importer is not a licensed supplier; or
- (ii) The entry is not by bulk transfer;
- (d) Fuel enters this state by means outside the bulk transfer-terminal system and is delivered directly to a licensed terminal unless the owner is a licensed distributor or supplier;
- (e) Fuel is sold or removed in this state to an unlicensed entity unless there was a prior taxable removal, entry, or sale of the fuel;
- (f) Blended fuel is removed or sold in this state by the blender of the fuel. The number of gallons of blended fuel subject to tax is the difference between the total number of gallons of blended fuel removed or sold and the number of gallons of previously taxed fuel used to produce the blended fuel;
- (g) Dyed special fuel is used on a highway, as authorized by the internal revenue code, unless the use is exempt from the fuel tax;
- (h) Dyed special fuel is held for sale, sold, used, or is intended to be used in violation of this chapter;
- (i) Special fuel purchased by an international fuel tax agreement licensee under RCW 82.38.320 is used on a highway; and
- (j) Fuel is sold by a licensed fuel supplier to a fuel distributor or fuel blender and the fuel is not removed from the bulk transfer-terminal system.
- Sec. 104. RCW 46.68.090 and 2011 c 120 s 4 are each amended to read as follows:
- (1) All moneys that have accrued or may accrue to the motor vehicle fund from the motor vehicle fuel tax and special fuel tax shall be first expended for purposes enumerated in (a) and (b) of this subsection. The remaining net tax amount shall be distributed monthly by the state treasurer in accordance with subsections (2) through $((\frac{(7)}{2}))$ (8) of this section.
- (a) For payment of refunds of motor vehicle fuel tax and special fuel tax that has been paid and is refundable as provided by law;
- (b) For payment of amounts to be expended pursuant to appropriations for the administrative expenses of the offices of state treasurer, state auditor, and the department of licensing of the state of Washington in the administration of the motor vehicle fuel tax and the special fuel tax, which sums shall be distributed monthly.

- (2) All of the remaining net tax amount collected under RCW 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a) through (j) of this subsection.
- (a) For distribution to the motor vehicle fund an amount equal to 44.387 percent to be expended for highway purposes of the state as defined in RCW 46.68.130;
- (b) For distribution to the special category C account, hereby created in the motor vehicle fund, an amount equal to 3.2609 percent to be expended for special category C projects. Special category C projects are category C projects that, due to high cost only, will require bond financing to complete construction.

The following criteria, listed in order of priority, shall be used in determining which special category C projects have the highest priority:

- (i) Accident experience;
- (ii) Fatal accident experience;
- (iii) Capacity to move people and goods safely and at reasonable speeds without undue congestion; and
 - (iv) Continuity of development of the highway transportation network.

Moneys deposited in the special category C account in the motor vehicle fund may be used for payment of debt service on bonds the proceeds of which are used to finance special category C projects under this subsection (2)(b);

- (c) For distribution to the Puget Sound ferry operations account in the motor vehicle fund an amount equal to 2.3283 percent;
- (d) For distribution to the Puget Sound capital construction account in the motor vehicle fund an amount equal to 2.3726 percent;
- (e) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 7.5597 percent;
- (f) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 5.6739 percent and expended in accordance with RCW 47.26.086;
- (g) For distribution to the cities and towns from the motor vehicle fund an amount equal to 10.6961 percent in accordance with RCW 46.68.110;
- (h) For distribution to the counties from the motor vehicle fund an amount equal to 19.2287 percent: (i) Out of which there shall be distributed from time to time, as directed by the department of transportation, those sums as may be necessary to carry out the provisions of RCW 47.56.725; and (ii) less any amounts appropriated to the county road administration board to implement the provisions of RCW 47.56.725(4), with the balance of such county share to be distributed monthly as the same accrues for distribution in accordance with RCW 46.68.120;
- (i) For distribution to the county arterial preservation account, hereby created in the motor vehicle fund an amount equal to 1.9565 percent. These funds shall be distributed by the county road administration board to counties in proportions corresponding to the number of paved arterial lane miles in the unincorporated area of each county and shall be used for improvements to sustain the structural, safety, and operational integrity of county arterials. The county road administration board shall adopt reasonable rules and develop policies to implement this program and to assure that a pavement management system is used;

- (j) For distribution to the rural arterial trust account in the motor vehicle fund an amount equal to 2.5363 percent and expended in accordance with RCW 36.79.020.
- (3) The remaining net tax amount collected under RCW 82.36.025(2) and 82.38.030(2) shall be distributed to the transportation 2003 account (nickel account).
- (4) The remaining net tax amount collected under RCW 82.36.025(3) and 82.38.030(3) shall be distributed as follows:
- (a) 8.3333 percent shall be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;
- (b) 8.3333 percent shall be distributed to counties of the state in accordance with RCW 46.68.120; and
- (c) The remainder shall be distributed to the transportation partnership account created in RCW 46.68.290.
- (5) The remaining net tax amount collected under RCW 82.36.025(4) and 82.38.030(4) shall be distributed as follows:
- (a) 8.3333 percent shall be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;
- (b) 8.3333 percent shall be distributed to counties of the state in accordance with RCW 46.68.120; and
- (c) The remainder shall be distributed to the transportation partnership account created in RCW 46.68.290.
- (6) The remaining net tax amount collected under RCW 82.36.025 (5) and (6) and 82.38.030 (5) and (6) shall be distributed to the transportation partnership account created in RCW 46.68.290.
- (7) The remaining net tax amount collected under RCW 82.36.025 (7) and (8) and 82.38.030 (7) and (8) shall be distributed to the connecting Washington account created in section 106 of this act.
- (8) Nothing in this section or in RCW 46.68.130 may be construed so as to violate any terms or conditions contained in any highway construction bond issues now or hereafter authorized by statute and whose payment is by such statute pledged to be paid from any excise taxes on ((motor vehicle fuel and special)) fuel((s)).
- **Sec. 105.** RCW 46.68.090 and 2013 c 225 s 645 are each amended to read as follows:
- (1) All moneys that have accrued or may accrue to the motor vehicle fund from the ($(motor\ vehicle\ fuel\ tax\ and\ special)$) fuel tax must be first expended for purposes enumerated in (a) and (b) of this subsection. The remaining net tax amount must be distributed monthly by the state treasurer in accordance with subsections (2) through (((7))) (8) of this section.
- (a) For payment of refunds of ((motor vehicle fuel tax and special)) fuel tax that has been paid and is refundable as provided by law;
- (b) For payment of amounts to be expended pursuant to appropriations for the administrative expenses of the offices of state treasurer, state auditor, and the department of licensing of the state of Washington in the administration of the ((motor vehicle fuel tax and the special)) fuel tax, which sums must be distributed monthly.
- (2) All of the remaining net tax amount collected under RCW 82.38.030(1) must be distributed as set forth in (a) through (j) of this <u>sub</u>section.

- (a) For distribution to the motor vehicle fund an amount equal to 44.387 percent to be expended for highway purposes of the state as defined in RCW 46.68.130;
- (b)(i) For distribution to the special category C account, hereby created in the motor vehicle fund, an amount equal to 3.2609 percent to be expended for special category C projects. Special category C projects are category C projects that, due to high cost only, will require bond financing to complete construction.
- (ii) The following criteria, listed in order of priority, must be used in determining which special category C projects have the highest priority:
 - (A) Accident experience;
 - (B) Fatal accident experience;
- (C) Capacity to move people and goods safely and at reasonable speeds without undue congestion; and
 - (D) Continuity of development of the highway transportation network.
- (iii) Moneys deposited in the special category C account in the motor vehicle fund may be used for payment of debt service on bonds the proceeds of which are used to finance special category C projects under this subsection (2)(b);
- (c) For distribution to the Puget Sound ferry operations account in the motor vehicle fund an amount equal to 2.3283 percent;
- (d) For distribution to the Puget Sound capital construction account in the motor vehicle fund an amount equal to 2.3726 percent;
- (e) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 7.5597 percent;
- (f) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 5.6739 percent and expended in accordance with RCW 47.26.086;
- (g) For distribution to the cities and towns from the motor vehicle fund an amount equal to 10.6961 percent in accordance with RCW 46.68.110;
- (h) For distribution to the counties from the motor vehicle fund an amount equal to 19.2287 percent: (i) Out of which there must be distributed from time to time, as directed by the department of transportation, those sums as may be necessary to carry out the provisions of RCW 47.56.725; and (ii) less any amounts appropriated to the county road administration board to implement the provisions of RCW 47.56.725(4), with the balance of such county share to be distributed monthly as the same accrues for distribution in accordance with RCW 46.68.120;
- (i) For distribution to the county arterial preservation account, hereby created in the motor vehicle fund an amount equal to 1.9565 percent. These funds must be distributed by the county road administration board to counties in proportions corresponding to the number of paved arterial lane miles in the unincorporated area of each county and must be used for improvements to sustain the structural, safety, and operational integrity of county arterials. The county road administration board must adopt reasonable rules and develop policies to implement this program and to assure that a pavement management system is used;
- (j) For distribution to the rural arterial trust account in the motor vehicle fund an amount equal to 2.5363 percent and expended in accordance with RCW 36.79.020.

- (3) The remaining net tax amount collected under RCW 82.38.030(2) must be distributed to the transportation 2003 account (nickel account).
- (4) The remaining net tax amount collected under RCW 82.38.030(3) must be distributed as follows:
- (a) 8.3333 percent must be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;
- (b) 8.3333 percent must be distributed to counties of the state in accordance with RCW 46.68.120; and
- (c) The remainder must be distributed to the transportation partnership account created in RCW 46.68.290.
- (5) The remaining net tax amount collected under RCW 82.38.030(4) must be distributed as follows:
- (a) 8.3333 percent must be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;
- (b) 8.3333 percent must be distributed to counties of the state in accordance with RCW 46.68.120; and
- (c) The remainder must be distributed to the transportation partnership account created in RCW 46.68.290.
- (6) The remaining net tax amount collected under <u>RCW</u> 82.38.030 (5) and (6) must be distributed to the transportation partnership account created in RCW 46.68.290.
- (7) The remaining net tax amount collected under RCW 82.38.030 (7) and (8) must be distributed to the connecting Washington account created in section 106 of this act.
- (8) Nothing in this section or in RCW 46.68.130 may be construed so as to violate any terms or conditions contained in any highway construction bond issues now or hereafter authorized by statute and whose payment is by such statute pledged to be paid from any excise taxes on ((motor vehicle fuel and special)) fuel((s)).

<u>NEW SECTION.</u> **Sec. 106.** A new section is added to chapter 46.68 RCW to read as follows:

- (1) The connecting Washington account is created in the motor vehicle fund. Moneys in the account may be spent only after appropriation. Expenditures from the account must be used only for projects or improvements identified as connecting Washington projects or improvements in a transportation appropriations act, including any principal and interest on bonds authorized for the projects or improvements.
- (2) Moneys in the connecting Washington account may not be expended on the state route number 99 Alaskan Way viaduct replacement project.
- **Sec. 107.** RCW 43.84.092 and 2014 c 112 s 106, 2014 c 74 s 5, and 2014 c 32 s 6 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 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 community forest trust account, the connecting Washington account, 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 diesel idle reduction 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 electric vehicle charging infrastructure 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

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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 Puget Sound taxpayer accountability 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 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 43.84.092 and 2014 c 112 s 107, 2014 c 74 s 6, and 2014 c 32 s 7 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 community forest trust account, the connecting Washington account, the county arterial preservation account, the 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 diesel idle reduction 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 electric vehicle charging infrastructure 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 Puget Sound taxpayer accountability 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, 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 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.

Nonhighway Refunds

- **Sec. 109.** RCW 46.09.520 and 2010 1st sp.s. c 37 s 936 and 2010 c 161 s 222 are each reenacted and amended to read as follows:
- (1) From time to time, but at least once each year, the state treasurer shall refund from the motor vehicle fund one percent of the motor vehicle fuel tax revenues collected under chapter 82.36 RCW, based on: (a) A tax rate of: (((a))) (i) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; (((b))) (ii) twenty cents per gallon of motor vehicle fuel from July

- 1, 2005, through June 30, 2007; (((e))) (iii) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; (((d))) (iv) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; ((and (e))) (v) twenty-three cents per gallon of motor vehicle fuel ((beginning)) from July 1, 2011, through July 31, 2015; (vi) thirty cents per gallon of motor vehicle fuel from August 1, 2015, through June 30, 2016; and (vii) thirty-four and nine-tenths cents per gallon of motor vehicle fuel from July 1, 2016, through June 30, 2031; and (b) beginning July 1, 2031, and thereafter, the state's motor vehicle fuel tax rate in existence at the time of the fuel purchase, ((and thereafter,)) less proper deductions for refunds and costs of collection as provided in RCW 46.68.090.
 - (2) The treasurer shall place these funds in the general fund as follows:
- (a) Thirty-six percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of natural resources solely for acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities, and information programs and maintenance of nonhighway roads;
- (b) Three and one-half percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of fish and wildlife solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and the maintenance of nonhighway roads;
- (c) Two percent shall be credited to the ORV and nonhighway vehicle account and administered by the parks and recreation commission solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities; and
- (d) Fifty-eight and one-half percent shall be credited to the nonhighway and off-road vehicle activities program account to be administered by the board for planning, acquisition, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and for education, information, and law enforcement programs. The funds under this subsection shall be expended in accordance with the following limitations:
- (i) Not more than thirty percent may be expended for education, information, and law enforcement programs under this chapter;
- (ii) Not less than seventy percent may be expended for ORV, nonmotorized, and nonhighway road recreation facilities. Except as provided in (d)(iii) of this subsection, of this amount:
- (A) Not less than thirty percent, together with the funds the board receives under RCW 46.68.045, may be expended for ORV recreation facilities;
- (B) Not less than thirty percent may be expended for nonmotorized recreation facilities. Funds expended under this subsection (2)(d)(ii)(B) shall be known as Ira Spring outdoor recreation facilities funds; and
- (C) Not less than thirty percent may be expended for nonhighway road recreation facilities;
- (iii) The board may waive the minimum percentage cited in (d)(ii) of this subsection due to insufficient requests for funds or projects that score low in the board's project evaluation. Funds remaining after such a waiver must be allocated in accordance with board policy.

- (3) On a yearly basis an agency may not, except as provided in RCW 46.68.045, expend more than ten percent of the funds it receives under this chapter for general administration expenses incurred in carrying out this chapter.
- (4) During the 2009-2011 fiscal biennium, the legislature may appropriate such amounts as reflect the excess fund balance in the NOVA account to the department of natural resources to install consistent off-road vehicle signage at department-managed recreation sites, and to implement the recreation opportunities on department-managed lands in the Reiter block and Ahtanum state forest, and to the state parks and recreation commission. The legislature finds that the appropriation of funds from the NOVA account during the 2009-2011 fiscal biennium for maintenance and operation of state parks or to improve accessibility for boaters and off-road vehicle users at state parks will benefit boaters and off-road vehicle users and others who use nonhighway and nonmotorized recreational facilities. The appropriations under this subsection are not required to follow the specific distribution specified in subsection (2) of this section.
- **Sec. 110.** RCW 46.09.520 and 2015 2nd sp.s. c ... s 109 (section 109 of this act) and 2013 c 225 s 608 are each reenacted to read as follows:
- (1) From time to time, but at least once each year, the state treasurer must refund from the motor vehicle fund one percent of the motor vehicle fuel tax revenues collected under chapter 82.38 RCW, based on: (a) A tax rate of: (i) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; (ii) twenty cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007; (iii) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; (iv) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; (v) twenty-three cents per gallon of motor vehicle fuel from July 1, 2011, through July 31, 2015; (vi) thirty cents per gallon of motor vehicle fuel from August 1, 2015, through June 30, 2016; and (vii) thirty-four and nine-tenths cents per gallon of motor vehicle fuel from July 1, 2016, through June 30, 2031; and (b) beginning July 1, 2031, and thereafter, the state's motor vehicle fuel tax rate in existence at the time of the fuel purchase, less proper deductions for refunds and costs of collection as provided in RCW 46.68,090.
 - (2) The treasurer must place these funds in the general fund as follows:
- (a) Thirty-six percent must be credited to the ORV and nonhighway vehicle account and administered by the department of natural resources solely for acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities, and information programs and maintenance of nonhighway roads;
- (b) Three and one-half percent must be credited to the ORV and nonhighway vehicle account and administered by the department of fish and wildlife solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and the maintenance of nonhighway roads;
- (c) Two percent must be credited to the ORV and nonhighway vehicle account and administered by the parks and recreation commission solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities; and

- (d) Fifty-eight and one-half percent must be credited to the nonhighway and off-road vehicle activities program account to be administered by the board for planning, acquisition, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and for education, information, and law enforcement programs. The funds under this subsection must be expended in accordance with the following limitations:
- (i) Not more than thirty percent may be expended for education, information, and law enforcement programs under this chapter;
- (ii) Not less than seventy percent may be expended for ORV, nonmotorized, and nonhighway road recreation facilities. Except as provided in (d)(iii) of this subsection, of this amount:
- (A) Not less than thirty percent, together with the funds the board receives under RCW 46.68.045, may be expended for ORV recreation facilities;
- (B) Not less than thirty percent may be expended for nonmotorized recreation facilities. Funds expended under this subsection (2)(d)(ii)(B) are known as Ira Spring outdoor recreation facilities funds; and
- (C) Not less than thirty percent may be expended for nonhighway road recreation facilities:
- (iii) The board may waive the minimum percentage cited in (d)(ii) of this subsection due to insufficient requests for funds or projects that score low in the board's project evaluation. Funds remaining after such a waiver must be allocated in accordance with board policy.
- (3) On a yearly basis an agency may not, except as provided in RCW 46.68.045, expend more than ten percent of the funds it receives under this chapter for general administration expenses incurred in carrying out this chapter.
- (4) During the 2009-2011 fiscal biennium, the legislature may appropriate such amounts as reflect the excess fund balance in the NOVA account to the department of natural resources to install consistent off-road vehicle signage at department-managed recreation sites, and to implement the recreation opportunities on department-managed lands in the Reiter block and Ahtanum state forest, and to the state parks and recreation commission. The legislature finds that the appropriation of funds from the NOVA account during the 2009-2011 fiscal biennium for maintenance and operation of state parks or to improve accessibility for boaters and off-road vehicle users at state parks will benefit boaters and off-road vehicle users and others who use nonhighway and nonmotorized recreational facilities. The appropriations under this subsection are not required to follow the specific distribution specified in subsection (2) of this section.

<u>NEW SECTION.</u> **Sec. 111.** The following acts or parts of acts are each repealed:

- (1) 2015 2nd sp.s. c ... (SHB 1738) s 2;
- (2) 2015 2nd sp.s. c ... (SHB 1738) s 3; and
- (3) 2015 2nd sp.s. c ... (SHB 1738) s 4.
- **Sec. 112.** RCW 46.10.530 and 2003 c 361 s 408 are each amended to read as follows:

From time to time, but at least once each four years, the department shall determine the amount of moneys paid to it as motor vehicle fuel tax that is tax on snowmobile fuel. Such determination shall use one hundred thirty-five gallons

as the average yearly fuel usage per snowmobile, the number of registered snowmobiles during the calendar year under determination, and: (1) A fuel tax rate of: (((1))) (a) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; (((2))) (b) twenty cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007; (((3))) (c) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; (((4))) (d) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; ((and (5))) (e) twenty-three cents per gallon of motor vehicle fuel ((beginning)) from July 1, 2011((, and thereafter)), through July 31, 2015; (f) thirty cents per gallon of motor vehicle fuel from August 1, 2015, through June 30, 2016; and (g) thirty-four and nine-tenths cents per gallon of motor vehicle fuel from July 1, 2016, through June 30, 2031; and (2) beginning July 1, 2031, and thereafter, the state's motor vehicle fuel tax rate in existence at the time of the fuel purchase.

Sec. 113. RCW 79A.25.070 and 2010 c 23 s 3 are each amended to read as follows:

Upon expiration of the time limited by RCW 82.36.330 for claiming of refunds of tax on marine fuel, the state of Washington shall succeed to the right to such refunds. The director of licensing, after taking into account past and anticipated claims for refunds from and deposits to the marine fuel tax refund account, shall request the state treasurer to transfer monthly from the marine fuel tax refund account an amount equal to the proportion of the moneys in the account representing: (1) A motor vehicle fuel tax rate of: $((\frac{1}{1}))$ (a) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; $((\frac{(2)}{2}))$ (b) twenty cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007; $((\frac{3}{2}))$ (c) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; (((4+))) (d) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; ((and (5))) (e) twenty-three cents per gallon of motor vehicle fuel ((beginning)) from July 1, 2011((, and thereafter)), through July 31, 2015; (f) thirty cents per gallon of motor vehicle fuel from August 1, 2015, through June 30, 2016; and (g) thirty-four and nine-tenths cents per gallon of motor vehicle fuel from July 1, 2016, through June 30, 2031; and (2) beginning July 1, 2031, and thereafter, the state's motor vehicle fuel tax rate in existence at the time of the fuel purchase, to the recreation resource account and the remainder to the motor vehicle fund.

Handling Loss Deduction

 $\underline{\text{NEW SECTION}}$. Sec. 114. The following acts or parts of acts are each repealed:

- (1) RCW 82.36.029 (Deductions—Handling losses—Reports) and 1998 c 176 s 10; and
- (2) RCW 82.38.083 (Deductions—Handling losses—Reports) and 2013 c 225 s 205.

PART II FEES License Fees By Weight & Freight Project Fee

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Sec. 201. RCW 46.17.355 and 2011 c 171 s 61 are each amended to read as follows:

(1)(a) For vehicle registrations that are due or become due before July 1, 2016, in lieu of the vehicle license fee required under RCW 46.17.350 and before accepting an application for a vehicle registration for motor vehicles described in RCW 46.16A.455, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant, unless specifically exempt, to pay the following license fee by weight:

WEIGHT	SCHEDULE A	SCHEDULE B
4,000 pounds	\$ 38.00	\$ 38.00
6,000 pounds	\$ 48.00	\$ 48.00
8,000 pounds	\$ 58.00	\$ 58.00
10,000 pounds	\$ 60.00	\$ 60.00
12,000 pounds	\$ 77.00	\$ 77.00
14,000 pounds	\$ 88.00	\$ 88.00
16,000 pounds	\$ 100.00	\$ 100.00
18,000 pounds	\$ 152.00	\$ 152.00
20,000 pounds	\$ 169.00	\$ 169.00
22,000 pounds	\$ 183.00	\$ 183.00
24,000 pounds	\$ 198.00	\$ 198.00
26,000 pounds	\$ 209.00	\$ 209.00
28,000 pounds	\$ 247.00	\$ 247.00
30,000 pounds	\$ 285.00	\$ 285.00
32,000 pounds	\$ 344.00	\$ 344.00
34,000 pounds	\$ 366.00	\$ 366.00
36,000 pounds	\$ 397.00	\$ 397.00
38,000 pounds	\$ 436.00	\$ 436.00
40,000 pounds	\$ 499.00	\$ 499.00
42,000 pounds	\$ 519.00	\$ 609.00
44,000 pounds	\$ 530.00	\$ 620.00
46,000 pounds	\$ 570.00	\$ 660.00
48,000 pounds	\$ 594.00	\$ 684.00
50,000 pounds	\$ 645.00	\$ 735.00
52,000 pounds	\$ 678.00	\$ 768.00
54,000 pounds	\$ 732.00	\$ 822.00
56,000 pounds	\$ 773.00	\$ 863.00
58,000 pounds	\$ 804.00	\$ 894.00
60,000 pounds	\$ 857.00	\$ 947.00

62,000 pounds	\$ 919.00	\$ 1,009.00
64,000 pounds	\$ 939.00	\$ 1,029.00
66,000 pounds	\$ 1,046.00	\$ 1,136.00
68,000 pounds	\$ 1,091.00	\$ 1,181.00
70,000 pounds	\$ 1,175.00	\$ 1,265.00
72,000 pounds	\$ 1,257.00	\$ 1,347.00
74,000 pounds	\$ 1,366.00	\$ 1,456.00
76,000 pounds	\$ 1,476.00	\$ 1,566.00
78,000 pounds	\$ 1,612.00	\$ 1,702.00
80,000 pounds	\$ 1,740.00	\$ 1,830.00
82,000 pounds	\$ 1,861.00	\$ 1,951.00
84,000 pounds	\$ 1,981.00	\$ 2,071.00
86,000 pounds	\$ 2,102.00	\$ 2,192.00
88,000 pounds	\$ 2,223.00	\$ 2,313.00
90,000 pounds	\$ 2,344.00	\$ 2,434.00
92,000 pounds	\$ 2,464.00	\$ 2,554.00
94,000 pounds	\$ 2,585.00	\$ 2,675.00
96,000 pounds	\$ 2,706.00	\$ 2,796.00
98,000 pounds	\$ 2,827.00	\$ 2,917.00
100,000 pounds	\$ 2,947.00	\$ 3,037.00
102,000 pounds	\$ 3,068.00	\$ 3,158.00
104,000 pounds	\$ 3,189.00	\$ 3,279.00
105,500 pounds	\$ 3,310.00	\$ 3,400.00

(b) For vehicle registrations that are due or become due on or after July 1, 2016, in lieu of the vehicle license fee required under RCW 46.17.350 and before accepting an application for a vehicle registration for motor vehicles described in RCW 46.16A.455, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant, unless specifically exempt, to pay the following license fee by weight:

<u>WEIGHT</u>	SCHEDULE A	SCHEDULE B
4,000 pounds	<u>\$ 53.00</u>	<u>\$ 53.00</u>
6,000 pounds	<u>\$ 73.00</u>	<u>\$ 73.00</u>
8,000 pounds	<u>\$ 93.00</u>	<u>\$ 93.00</u>
10,000 pounds	<u>\$ 93.00</u>	<u>\$ 93.00</u>
12,000 pounds	<u>\$ 81.00</u>	<u>\$ 81.00</u>
14,000 pounds	<u>\$ 88.00</u>	<u>\$ 88.00</u>
16,000 pounds	<u>\$ 100.00</u>	<u>\$ 100.00</u>

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18,000 pounds	<u>\$ 152.00</u>	<u>\$ 152.00</u>
20,000 pounds	<u>\$ 169.00</u>	<u>\$ 169.00</u>
22,000 pounds	<u>\$ 183.00</u>	<u>\$ 183.00</u>
24,000 pounds	<u>\$ 198.00</u>	<u>\$ 198.00</u>
26,000 pounds	\$ 209.00	\$ 209.00
28,000 pounds	<u>\$ 247.00</u>	\$ 247.00
30,000 pounds	<u>\$ 285.00</u>	\$ 285.00
32,000 pounds	\$ 344.00	\$ 344.00
34,000 pounds	<u>\$ 366.00</u>	<u>\$ 366.00</u>
36,000 pounds	<u>\$ 397.00</u>	<u>\$ 397.00</u>
38,000 pounds	<u>\$ 436.00</u>	<u>\$ 436.00</u>
40,000 pounds	<u>\$ 499.00</u>	<u>\$ 499.00</u>
42,000 pounds	<u>\$ 519.00</u>	<u>\$ 609.00</u>
44,000 pounds	<u>\$ 530.00</u>	<u>\$ 620.00</u>
46,000 pounds	<u>\$ 570.00</u>	<u>\$ 660.00</u>
48,000 pounds	<u>\$ 594.00</u>	<u>\$ 684.00</u>
50,000 pounds	<u>\$ 645.00</u>	<u>\$ 735.00</u>
52,000 pounds	<u>\$ 678.00</u>	<u>\$ 768.00</u>
54,000 pounds	<u>\$ 732.00</u>	<u>\$ 822.00</u>
56,000 pounds	<u>\$ 773.00</u>	<u>\$ 863.00</u>
58,000 pounds	<u>\$ 804.00</u>	<u>\$ 894.00</u>
60,000 pounds	<u>\$ 857.00</u>	<u>\$ 947.00</u>
62,000 pounds	<u>\$ 919.00</u>	<u>\$ 1,009.00</u>
64,000 pounds	\$ 939.00	<u>\$1,029.00</u>
66,000 pounds	<u>\$ 1,046.00</u>	\$ 1,136.00
68,000 pounds	<u>\$ 1,091.00</u>	<u>\$1,181.00</u>
70,000 pounds	<u>\$ 1,175.00</u>	\$ 1,265.00
72,000 pounds	<u>\$ 1,257.00</u>	<u>\$ 1,347.00</u>
74,000 pounds	<u>\$ 1,366.00</u>	<u>\$ 1,456.00</u>
76,000 pounds	<u>\$ 1,476.00</u>	\$ 1,566.00
78,000 pounds	<u>\$ 1,612.00</u>	\$ 1,702.00
80,000 pounds	<u>\$ 1,740.00</u>	\$ 1,830.00
82,000 pounds	<u>\$ 1,861.00</u>	<u>\$ 1,951.00</u>
84,000 pounds	<u>\$ 1,981.00</u>	\$ 2,071.00
86,000 pounds	<u>\$ 2,102.00</u>	\$ 2,192.00
88,000 pounds	\$ 2,223.00	\$ 2,313.00
90,000 pounds	<u>\$ 2,344.00</u>	<u>\$ 2,434.00</u>

92,000 pounds	\$ 2,464.00	\$ 2,554.00
94,000 pounds	\$ 2,585.00	\$ 2,675.00
96,000 pounds	\$ 2,706.00	\$ 2,796.00
98,000 pounds	<u>\$ 2,827.00</u>	\$ 2,917.00
100,000 pounds	<u>\$ 2,947.00</u>	\$ 3,037.00
102,000 pounds	<u>\$3,068.00</u>	\$ 3,158.00
104,000 pounds	\$ 3,189.00	\$ 3,279.00
105,500 pounds	\$ 3,310.00	\$ 3,400.00

- (2) Schedule A applies to vehicles either used exclusively for hauling logs or that do not tow trailers. Schedule B applies to vehicles that tow trailers and are not covered under Schedule A.
- (3) If the resultant gross weight is not listed in the table provided in subsection (1) of this section, it must be increased to the next higher weight.
- (4) The license fees provided in subsection (1) of this section <u>and the freight project fee provided in subsection (6) of this section</u> are in addition to the filing fee required under RCW 46.17.005 and any other fee or tax required by law.
- (5) The license fee based on declared gross weight as provided in subsection (1) of this section must be distributed under RCW 46.68.035.
- (6) For vehicle registrations that are due or become due on or after July 1, 2016, in addition to the license fee based on declared gross weight as provided in subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by the director must require an applicant with a vehicle with a declared gross weight of more than 10,000 pounds, unless specifically exempt, to pay a freight project fee equal to fifteen percent of the license fee provided in subsection (1) of this section, rounded to the nearest whole dollar, which must be distributed under RCW 46,68,035.
- (7) For vehicle registrations that are due or become due on or after July 1, 2022, in addition to the license fee based on declared gross weight as provided in subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by the director must require an applicant with a vehicle with a declared gross weight of less than or equal to 12,000 pounds, unless specifically exempt, to pay an additional weight fee of ten dollars, which must be distributed under RCW 46.68.035.

Passenger Vehicle Weight Fees

- Sec. 202. RCW 46.17.365 and 2010 c 161 s 533 are each amended to read as follows:
- (1) A person applying for a motor vehicle registration and paying the vehicle license fee required in RCW 46.17.350(1) (a), (d), (e), (h), (j), (n), and (o) shall pay a motor vehicle weight fee in addition to all other fees and taxes required by law.
- (a) For vehicle registrations that are due or become due before July 1, 2016, the motor vehicle weight fee:
 - $((\frac{a}{a}))$ (i) Must be based on the motor vehicle scale weight;

- (((b))) (ii) Is the difference determined by subtracting the vehicle license fee required in RCW 46.17.350 from the license fee in Schedule B of RCW 46.17.355, plus two dollars; and
 - (((e))) (iii) Must be distributed under RCW 46.68.415.
- (b) For vehicle registrations that are due or become due on or after July 1, 2016, the motor vehicle weight fee:
 - (i) Must be based on the motor vehicle scale weight as follows:

<u>WEIGHT</u>	<u>FEE</u>
<u>4,000 pounds</u>	\$ 25.00
<u>6,000 pounds</u>	\$ 45.00
8,000 pounds	\$ 65.00
16,000 pounds and over	<u>\$ 72.00;</u>

- (ii) If the resultant motor vehicle scale weight is not listed in the table provided in (b)(i) of this subsection, must be increased to the next highest weight; and
- (iii) Must be distributed under RCW 46.68.415 unless prior to July 1, 2023, the actions described in (b)(iii)(A) or (B) of this subsection occur, in which case the portion of the revenue that is the result of the fee increased in this subsection must be distributed to the connecting Washington account created under section 106 of this act.
- (A) Any state agency files a notice of rule making under chapter 34.05 RCW for a rule regarding a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
- (B) Any state agency otherwise enacts, adopts, orders, or in any way implements a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
- (C) Nothing in this subsection acknowledges, establishes, or creates legal authority for the department of ecology or any other state agency to enact, adopt, order, or in any way implement a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
- (2) A person applying for a motor home vehicle registration shall, in lieu of the motor vehicle weight fee required in subsection (1) of this section, pay a motor home vehicle weight fee of seventy-five dollars in addition to all other fees and taxes required by law. The motor home vehicle weight fee must be distributed under RCW 46.68.415.
- (3) Beginning July 1, 2022, in addition to the motor vehicle weight fee as provided in subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by the director must require an applicant to pay an additional weight fee of ten dollars, which must be distributed to the multimodal transportation account under RCW 47.66.070 unless prior to July 1, 2023, the actions described in (a) or (b) of this subsection occur, in which case the portion of the revenue that is the result of the fee increased in this subsection must be distributed to the connecting Washington account created under section 106 of this act.

- (a) Any state agency files a notice of rule making under chapter 34.05 RCW for a rule regarding a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
- (b) Any state agency otherwise enacts, adopts, orders, or in any way implements a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
- (c) Nothing in this subsection acknowledges, establishes, or creates legal authority for the department of ecology or any other state agency to enact, adopt, order, or in any way implement a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
 - (4) The department shall:
- (a) Rely on motor vehicle empty scale weights provided by vehicle manufacturers, or other sources defined by the department, to determine the weight of each motor vehicle; and
- (b) Adopt rules for determining weight for vehicles without manufacturer empty scale weights.

Electric Vehicle Fee

- **Sec. 203.** RCW 46.17.323 and 2012 c 74 s 10 are each amended to read as follows:
- (1) Before accepting an application for an annual vehicle registration renewal for ((an electric)) a vehicle that both (a) uses ((propulsion units powered solely by)) at least one method of propulsion that is capable of being reenergized by an external source of electricity and (b) is capable of traveling at least thirty miles using only battery power, the department, county auditor or other agent, or subagent appointed by the director must require the applicant to pay a one hundred dollar fee in addition to any other fees and taxes required by law. The one hundred dollar fee is due only at the time of annual registration renewal.
 - (2) This section only applies to((÷))
- $((\frac{a}{a}))$ a vehicle that is designed to have the capability to drive at a speed of more than thirty five miles per hour $(\frac{a}{a})$
- (b) An annual vehicle registration renewal that is due on or after February 1, 2013)).
- (3)(a) The fee under this section is imposed to provide funds to mitigate the impact of vehicles on state roads and highways and for the purpose of evaluating the feasibility of transitioning from a revenue collection system based on fuel taxes to a road user assessment system, and is separate and distinct from other vehicle license fees. Proceeds from the fee must be used for highway purposes, and must be deposited in the motor vehicle fund created in RCW 46.68.070, subject to (b) of this subsection.
- (b) If in any year the amount of proceeds from the fee collected under this section exceeds one million dollars, the excess amount over one million dollars must be deposited as follows:
 - (i) Seventy percent to the motor vehicle fund created in RCW 46.68.070;
- (ii) Fifteen percent to the transportation improvement account created in RCW 47.26.084; and
- (iii) Fifteen percent to the rural arterial trust account created in RCW 36.79.020.

- (4)(a) In addition to the fee established in subsection (1) of this section, before accepting an application for an annual vehicle registration renewal for a vehicle that both (i) uses at least one method of propulsion that is capable of being reenergized by an external source of electricity and (ii) is capable of traveling at least thirty miles using only battery power, the department, county auditor or other agent, or subagent appointed by the director must require the applicant to pay a fifty dollar fee.
- (b) The fee required under (a) of this subsection must be distributed as follows:
- (i) The first one million dollars raised by the fee must be deposited into the multimodal transportation account created in RCW 47.66.070; and
- (ii) Any remaining amounts must be deposited into the motor vehicle fund created in RCW 46.68.070.
- (5) This section applies to annual vehicle registration renewals until the effective date of enacted legislation that imposes a vehicle miles traveled fee or tax.
- <u>NEW SECTION.</u> **Sec. 204.** Section 203 of this act applies to vehicle registrations that are due or become due on or after July 1, 2016.

<u>NEW SECTION.</u> **Sec. 205.** 2012 c 74 s 11 (uncodified) is repealed. Commercial Driver's License Fees

- **Sec. 206.** RCW 46.25.052 and 2013 c 224 s 5 are each amended to read as follows:
- (1) The department may issue a CLP to an applicant who is at least eighteen years of age and holds a valid Washington state driver's license and who has:
- (a) Submitted an application on a form or in a format provided by the department;
- (b) Passed the general knowledge examination required for issuance of a CDL under RCW 46.25.060 for the commercial motor vehicle classification in which the applicant operates or expects to operate; and
- (c) Paid the appropriate examination fee or fees and an application fee of ten dollars until June 30, 2016, and forty dollars beginning July 1, 2016.
- (2) A CLP must be marked "commercial learner's permit" or "CLP," and must be, to the maximum extent practicable, tamperproof. Other than a photograph of the applicant, it must include, but not be limited to, the information required on a CDL under RCW 46.25.080(1).
- (3) The holder of a CLP may drive a commercial motor vehicle on a highway only when in possession of a valid driver's license and accompanied by the holder of a valid CDL who has the proper CDL classification and endorsement or endorsements necessary to operate the commercial motor vehicle. The CDL holder must at all times be physically present in the front seat of the vehicle next to the CLP holder or, in the case of a passenger vehicle, directly behind or in the first row behind the driver and must have the CLP holder under observation and direct supervision.
- (4) A CLP may be classified in the same manner as a CDL under RCW 46.25.080(2)(a).
- (5) CLPs may be issued with only P, S, or N endorsements as described in RCW 46.25.080(2)(b).

- (a) The holder of a CLP with a P endorsement must have taken and passed the P endorsement knowledge examination. The holder of a CLP with a P endorsement is prohibited from operating a commercial motor vehicle carrying passengers other than authorized employees or representatives of the department and the federal motor carrier safety administration, examiners, other trainees, and the CDL holder accompanying the CLP holder as required under subsection (2) of this section. The P endorsement must be class specific.
- (b) The holder of a CLP with an S endorsement must have taken and passed the S endorsement knowledge examination. The holder of a CLP with an S endorsement is prohibited from operating a school bus with passengers other than authorized employees or representatives of the department and the federal motor carrier safety administration, examiners, other trainees, and the CDL holder accompanying the CLP holder as required under subsection (2) of this section.
- (c) The holder of a CLP with an N endorsement must have taken and passed the N endorsement knowledge examination. The holder of a CLP with an N endorsement may only operate an empty tank vehicle and is prohibited from operating any tank vehicle that previously contained hazardous materials and has not been purged of any residue.
- (6) A CLP may be issued with appropriate restrictions as described in RCW 46.25.080(2)(c). In addition, a CLP may be issued with the following restrictions:
 - (a) "P" restricts the driver from operating a bus with passengers;
- (b) "X" restricts the driver from operating a tank vehicle that contains cargo; and
 - (c) Any restriction as established by rule of the department.
- (7) The holder of a CLP is not authorized to operate a commercial motor vehicle transporting hazardous materials.
- (8) A CLP may not be issued for a period to exceed one hundred eighty days. The department may renew the CLP for one additional one hundred eighty-day period without requiring the CLP holder to retake the general and endorsement knowledge examinations.
- (9) The department must transmit the fees collected for CLPs to the state treasurer for deposit in the highway safety fund unless prior to July 1, 2023, the actions described in (a) or (b) of this subsection occur, in which case the portion of the revenue that is the result of the fee increased in this section (section 206 of this act) must be distributed to the connecting Washington account created under section 106 of this act.
- (a) Any state agency files a notice of rule making under chapter 34.05 RCW for a rule regarding a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
- (b) Any state agency otherwise enacts, adopts, orders, or in any way implements a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
- (c) Nothing in this subsection acknowledges, establishes, or creates legal authority for the department of ecology or any other state agency to enact, adopt, order, or in any way implement a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.

- **Sec. 207.** RCW 46.25.060 and 2013 c 224 s 6 are each amended to read as follows:
- (1)(a) No person may be issued a commercial driver's license unless that person:
 - (i) Is a resident of this state;
- (ii) Has successfully completed a course of instruction in the operation of a commercial motor vehicle that has been approved by the director or has been certified by an employer as having the skills and training necessary to operate a commercial motor vehicle safely;
- (iii) If he or she does not hold a valid commercial driver's license of the appropriate classification, has been issued a commercial learner's permit under RCW 46.25.052; and
- (iv) Has passed a knowledge and skills examination for driving a commercial motor vehicle that complies with minimum federal standards established by federal regulation enumerated in 49 C.F.R. Part 383, subparts F, G, and H, in addition to other requirements imposed by state law or federal regulation. The department may not allow the person to take the skills examination during the first fourteen days after initial issuance of the person's commercial learner's permit. The examinations must be prescribed and conducted by the department.
- (b) In addition to the fee charged for issuance or renewal of any license, the applicant shall pay a fee of no more than ten dollars until June 30, 2016, and thirty-five dollars beginning July 1, 2016, for ((each)) the classified knowledge examination, classified endorsement knowledge examination, or any combination of classified license and endorsement knowledge examinations. The applicant shall pay a fee of no more than one hundred dollars until June 30, 2016, and two hundred fifty dollars beginning July 1, 2016, for each classified skill examination or combination of classified skill examinations conducted by the department.
- (c) The department may authorize a person, including an agency of this or another state, an employer, a private driver training facility, or other private institution, or a department, agency, or instrumentality of local government, to administer the skills examination specified by this section under the following conditions:
- (i) The examination is the same which would otherwise be administered by the state;
- (ii) The third party has entered into an agreement with the state that complies with the requirements of 49 C.F.R. Sec. 383.75; and
- (iii) The director has adopted rules as to the third party testing program and the development and justification for fees charged by any third party.
- (d) If the applicant's primary use of a commercial driver's license is for any of the following, then the applicant shall pay a fee of no more than seventy-five dollars until June 30, 2016, and two hundred twenty-five dollars beginning July 1, 2016, for ((each)) the classified skill examination or combination of classified skill examinations whether conducted by the department or a third-party tester:
- (i) Public benefit not-for-profit corporations that are federally supported head start programs; or
- (ii) Public benefit not-for-profit corporations that support early childhood education and assistance programs as described in RCW 43.215.405(2).

- (e) Beginning July 1, 2016, if the applicant's primary use of a commercial driver's license is to drive a school bus, the applicant shall pay a fee of no more than one hundred dollars for the classified skill examination or combination of classified skill examinations conducted by the department.
- (f) Beginning July 1, 2016, payment of the examination fees under this subsection entitles the applicant to take the examination up to two times in order to pass.
- (2)(a) The department may waive the skills examination and the requirement for completion of a course of instruction in the operation of a commercial motor vehicle specified in this section for a commercial driver's license applicant who meets the requirements of 49 C.F.R. Sec. 383.77.
- (b) An applicant who operates a commercial motor vehicle for agribusiness purposes is exempt from the course of instruction completion and employer skills and training certification requirements under this section. By January 1, 2010, the department shall submit recommendations regarding the continuance of this exemption to the transportation committees of the legislature. For purposes of this subsection (2)(b), "agribusiness" means a private carrier who in the normal course of business primarily transports:
- (i) Farm machinery, farm equipment, implements of husbandry, farm supplies, and materials used in farming;
- (ii) Agricultural inputs, such as seed, feed, fertilizer, and crop protection products;
- (iii) Unprocessed agricultural commodities, as defined in RCW 17.21.020, where such commodities are produced by farmers, ranchers, vineyardists, or orchardists; or
 - (iv) Any combination of (b)(i) through (iii) of this subsection.

The department shall notify the transportation committees of the legislature if the federal government takes action affecting the exemption provided in this subsection (2)(b).

- (3) A commercial driver's license or commercial learner's permit may not be issued to a person while the person is subject to a disqualification from driving a commercial motor vehicle, or while the person's driver's license is suspended, revoked, or canceled in any state, nor may a commercial driver's license be issued to a person who has a commercial driver's license issued by any other state unless the person first surrenders all such licenses, which must be returned to the issuing state for cancellation.
- (4) The fees under this section must be deposited into the highway safety fund unless prior to July 1, 2023, the actions described in (a) or (b) of this subsection occur, in which case the portion of the revenue that is the result of the fee increased in this section (section 207 of this act) must be distributed to the connecting Washington account created under section 106 of this act.
- (a) Any state agency files a notice of rule making under chapter 34.05 RCW for a rule regarding a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
- (b) Any state agency otherwise enacts, adopts, orders, or in any way implements a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
- (c) Nothing in this subsection acknowledges, establishes, or creates legal authority for the department of ecology or any other state agency to enact, adopt,

order, or in any way implement a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.

Sec. 208. RCW 46.25.100 and 2013 c 224 s 12 are each amended to read as follows:

- (1) When a person has been disqualified from operating a commercial motor vehicle, the person is not entitled to have the commercial driver's license or commercial learner's permit restored until after the expiration of the appropriate disqualification period required under RCW 46.25.090 or until the department has received a drug and alcohol assessment and evidence is presented of satisfactory participation in or completion of any required drug or alcohol treatment program for ending the disqualification under RCW 46.25.090(7). After expiration of the appropriate period and upon payment of a regualification fee of twenty dollars until June 30, 2016, and thirty-five dollars beginning July 1, 2016, or one hundred fifty dollars if the person has been disqualified under RCW 46.25.090(7), the person may apply for a new, duplicate, or renewal commercial driver's license or commercial learner's permit as provided by law. If the person has been disqualified for a period of one year or more, the person shall demonstrate that he or she meets the commercial driver's license or commercial learner's permit qualification standards specified in RCW 46.25.060.
- (2) The fees under this section must be deposited into the highway safety fund unless prior to July 1, 2023, the actions described in (a) or (b) of this subsection occur, in which case the portion of the revenue that is the result of the fee increased in this section (section 208 of this act) must be distributed to the connecting Washington account created under section 106 of this act.
- (a) Any state agency files a notice of rule making under chapter 34.05 RCW for a rule regarding a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
- (b) Any state agency otherwise enacts, adopts, orders, or in any way implements a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
- (c) Nothing in this subsection acknowledges, establishes, or creates legal authority for the department of ecology or any other state agency to enact, adopt, order, or in any way implement a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.

Enhanced Driver's License & Identicard Fees

- **Sec. 209.** RCW 46.20.202 and 2007 c 7 s 1 are each amended to read as follows:
- (1) The department may enter into a memorandum of understanding with any federal agency for the purposes of facilitating the crossing of the border between the state of Washington and the Canadian province of British Columbia.
- (2) The department may enter into an agreement with the Canadian province of British Columbia for the purposes of implementing a border-crossing initiative.
- (3)(a) The department may issue an enhanced driver's license or identicard for the purposes of crossing the border between the state of Washington and the

Canadian province of British Columbia to an applicant who provides the department with proof of: United States citizenship, identity, and state residency. The department shall continue to offer a standard driver's license and identicard. If the department chooses to issue an enhanced driver's license, the department must allow each applicant to choose between a standard driver's license or identicard, or an enhanced driver's license or identicard.

- (b) The department shall implement a one-to-many biometric matching system for the enhanced driver's license or identicard. An applicant for an enhanced driver's license or identicard shall submit a biometric identifier as designated by the department. The biometric identifier must be used solely for the purpose of verifying the identity of the holders and for any purpose set out in RCW 46.20.037. Applicants are required to sign a declaration acknowledging their understanding of the one-to-many biometric match.
- (c) The enhanced driver's license or identicard must include reasonable security measures to protect the privacy of Washington state residents, including reasonable safeguards to protect against unauthorized disclosure of data about Washington state residents. If the enhanced driver's license or identicard includes a radio frequency identification chip, or similar technology, the department shall ensure that the technology is encrypted or otherwise secure from unauthorized data access.
- (d) The requirements of this subsection are in addition to the requirements otherwise imposed on applicants for a driver's license or identicard. The department shall adopt such rules as necessary to meet the requirements of this subsection. From time to time the department shall review technological innovations related to the security of identity cards and amend the rules related to enhanced driver's licenses and identicards as the director deems consistent with this section and appropriate to protect the privacy of Washington state residents.
- (e) Notwithstanding RCW 46.20.118, the department may make images associated with enhanced drivers' licenses or identicards from the negative file available to United States customs and border agents for the purposes of verifying identity.
- (4) ((The department may set a fee for the issuance of enhanced drivers' licenses and identicards under this section.)) Beginning July 1, 2016, the fee for an enhanced driver's license or enhanced identicard is fifty-four dollars, which is in addition to the fees for any regular driver's license or identicard. If the enhanced driver's license or enhanced identicard is issued, renewed, or extended for a period other than six years, the fee for each class is nine dollars for each year that the enhanced driver's license or enhanced identicard is issued, renewed, or extended.
- (5) The enhanced driver's license and enhanced identicard fee under this section must be deposited into the highway safety fund unless prior to July 1, 2023, the actions described in (a) or (b) of this subsection occur, in which case the portion of the revenue that is the result of the fee increased in this section (section 209 of this act) must be distributed to the connecting Washington account created under section 106 of this act.
- (a) Any state agency files a notice of rule making under chapter 34.05 RCW for a rule regarding a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.

- (b) Any state agency otherwise enacts, adopts, orders, or in any way implements a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.
- (c) Nothing in this subsection acknowledges, establishes, or creates legal authority for the department of ecology or any other state agency to enact, adopt, order, or in any way implement a fuel standard based upon or defined by the carbon intensity of fuel, including a low carbon fuel standard or clean fuel standard.

Studded Tire Fee

<u>NEW SECTION.</u> **Sec. 210.** A new section is added to chapter 46.37 RCW to read as follows:

Beginning July 1, 2016:

- (1)(a) In addition to all other fees imposed on the retail sale of tires, a five dollar fee is imposed on the retail sale of each new tire sold that contains studs. For the purposes of this subsection, "new tire sold that contains studs" means a tire that is manufactured for vehicle purposes and contains metal studs, and does not include bicycle tires or retreaded vehicle tires.
- (b) The five dollar fee must be paid by the buyer to the seller, and each seller must collect from the buyer the full amount of the fee. The fee collected from the buyer by the seller must be paid to the department of revenue in accordance with RCW 82.32.045; however, the seller retains ten percent of the fee collected.
- (c) The portion of the fee paid to the department of revenue under (b) of this subsection must be deposited in the motor vehicle fund created under RCW 46.68.070.
- (2) The fee to be collected by the seller, less the ten percent that the seller retains as specified in subsection (1)(b) of this section, must be held in trust by the seller until paid to the department of revenue, and any seller who appropriates or converts the fee collected to any use other than the payment of the fee on the due date is guilty of a gross misdemeanor.
- (3) Any seller that fails to collect the fee imposed under this section or, having collected the fee, fails to pay it to the department of revenue by the date due, whether such failure is the result of the seller or the result of acts or conditions beyond the seller's control, is personally liable to the state for the amount of the fee.
- (4) The amount of the fee, until paid by the buyer to the seller or to the department of revenue, constitutes a debt from the buyer to the seller. Any seller who fails or refuses to collect the fee as required with the intent to violate this section or to gain some advantage or benefit and any buyer who refuses to pay the fee due is guilty of a misdemeanor.
- (5) The department of revenue must collect on the business excise tax return from the businesses selling new tires that contain studs at retail the number of tires sold and the fee imposed under this section. The department of revenue must incorporate into its audit cycle a reconciliation of the number of tires sold and the amount of revenue collected by the businesses selling new tires that contain studs.
- (6) All other applicable provisions of chapter 82.32 RCW have full force and application with respect to the fee imposed under this section.
 - (7) The department of revenue must administer this section. Service Fees Due on Title and Registration Transactions

- **Sec. 211.** RCW 46.17.050 and 2014 c 59 s 3 are each amended to read as follows:
- (1) Until June 30, 2017, before accepting a report of sale filed under RCW 46.12.650(2), the county auditor or other agent or subagent appointed by the director shall require the applicant to pay:
- (((1))) (<u>a)</u> The filing fee under RCW 46.17.005(1), the license plate technology fee under RCW 46.17.015, and the license service fee under RCW 46.17.025 to the county auditor or other agent; and
 - (((2))) (b) The service fee under RCW 46.17.040(1)(b) to the subagent.
- (2)(a) Beginning July 1, 2017, before accepting a report of sale filed under RCW 46.12.650(2), the department, county auditor or other agent, or subagent appointed by the director shall require the applicant to pay the filing fee under RCW 46.17.005(1), the license plate technology fee under RCW 46.17.015, the license service fee under RCW 46.17.025, and the service fee under RCW 46.17.040(1)(b).
- (b) Services fees collected under (a) of this subsection by the department or county auditor or other agent appointed by the director must be credited to the capital vessel replacement account under RCW 47.60.322.
- **Sec. 212.** RCW 46.17.060 and 2014 c 59 s 4 are each amended to read as follows:
- (1) Until June 30, 2017, before accepting a transitional ownership record filed under RCW 46.12.660, the county auditor or other agent or subagent appointed by the director shall require the applicant to pay:
- (((1))) (<u>a)</u> The filing fee under RCW 46.17.005(1), the license plate technology fee under RCW 46.17.015, and the license service fee under RCW 46.17.025 to the county auditor or other agent; and
 - $((\frac{(2)}{2}))$ (b) The service fee under RCW 46.17.040(1)(b) to the subagent.
- (2)(a) Beginning July 1, 2017, before accepting a transitional ownership record filed under RCW 46.12.660, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant to pay the filing fee under RCW 46.17.005(1), the license plate technology fee under RCW 46.17.015, the license service fee under RCW 46.17.025, and the service fee under RCW 46.17.040(1)(b).
- (b) Services fees collected under (a) of this subsection by the department or county auditor or other agent appointed by the director must be credited to the capital vessel replacement account under RCW 47.60.322.
- **Sec. 213.** RCW 47.60.322 and 2014 c 59 s 1 are each amended to read as follows:
- (1) The capital vessel replacement account is created in the motor vehicle fund. All revenues generated from the vessel replacement surcharge under RCW 47.60.315(7) and service fees collected by the department of licensing or county auditor or other agent appointed by the director under RCW 46.17.040, 46.17.050, and 46.17.060 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 construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels. However, expenditures from the account must first be used to

support the construction or purchase, including any applicable financing costs, of a ferry vessel with a carrying capacity of at least one hundred forty-four cars.

- (2) The state treasurer may ((not)) transfer ((any)) moneys from the capital vessel replacement account ((except)) to the transportation 2003 account (nickel account) for debt service on bonds issued for the construction of 144-car class ferry vessels.
- (3) The legislature may transfer from the capital vessel replacement account to the connecting Washington account created under section 106 of this act such amounts as reflect the excess fund balance of the capital vessel replacement account to be used for ferry terminal construction and preservation.
- **Sec. 214.** RCW 46.12.650 and 2010 c 161 s 309 are each amended to read as follows:
 - (1) **Releasing interest.** An owner releasing interest in a vehicle shall:
- (a) Sign the release of interest section provided on the certificate of title or on a release of interest document or form approved by the department;
- (b) Give the certificate of title or most recent evidence of ownership to the person gaining the interest in the vehicle;
- (c) Give the person gaining interest in the vehicle an odometer disclosure statement if one is required; and
 - (d) Report the vehicle sold as provided in subsection (2) of this section.
- (2) **Report of sale.** An owner shall notify the department, county auditor or other agent, or subagent appointed by the director in writing within ((five)) twenty-one business days after a vehicle is or has been:
 - (a) Sold;
 - (b) Given as a gift to another person;
 - (c) Traded, either privately or to a dealership;
 - (d) Donated to charity;
 - (e) Turned over to an insurance company or wrecking yard; or
 - (f) Disposed of.
- (3) **Report of sale properly filed.** A report of sale is properly filed if it is received by the department, county auditor or other agent, or subagent appointed by the director within ((five)) twenty-one business days after the date of sale or transfer and it includes:
 - (a) The date of sale or transfer;
 - (b) The owner's name and address;
 - (c) The name and address of the person acquiring the vehicle;
 - (d) The vehicle identification number and license plate number;
- (e) A date or stamp by the department showing it was received on or before the ((fifth)) twenty-first business day after the date of sale or transfer; and
- (f) Payment of the fees required under RCW 46.17.050 ((if the report of sale is processed by a county auditor or other agent or subagent appointed by the director)).
 - (4) **Report of sale administration.** (a) The department shall:
 - (((a))) (i) Provide or approve reports of sale forms;
- (((b))) (ii) Provide a system enabling an owner to submit reports of sale electronically;
- (((e))) (iii) Immediately update the department's vehicle record when a report of sale has been filed;

- $((\frac{d}{d}))$ (iv) Provide instructions on release of interest forms that allow the seller of a vehicle to release their interest in a vehicle at the same time a financial institution, as defined in RCW $((\frac{30.22.040}{20.040}))$ 30A.22.040, releases its lien on the vehicle; and
- (((e))) (v) Send a report to the department of revenue that lists vehicles for which a report of sale has been received but no transfer of ownership has taken place. The department shall send the report once each quarter.
- (b) A report of sale that is received by the department, county auditor or other agent, or subagent appointed by the director after the twenty-first day becomes effective on the day it is received by the department, county auditor or other agent, or subagent appointed by the director.
- (5)(a) **Transferring ownership.** A person who has recently acquired a vehicle by purchase, exchange, gift, lease, inheritance, or legal action shall apply to the department, county auditor or other agent, or subagent appointed by the director for a new certificate of title within fifteen days of delivery of the vehicle. A secured party who has possession of the certificate of title shall either:
- (i) Apply for a new certificate of title on behalf of the owner and pay the fee required under RCW 46.17.100; or
- (ii) Provide all required documents to the owner, as long as the transfer was not a breach of its security agreement, to allow the owner to apply for a new certificate of title.
- (b) Compliance with this subsection does not affect the rights of the secured party.
- (6) Certificate of title delivered to secured party. The certificate of title must be kept by or delivered to the person who becomes the secured party when a security interest is reserved or created at the time of the transfer of ownership. The parties must comply with RCW 46.12.675.
- (7) **Penalty for late transfer.** A person who has recently acquired a motor vehicle by purchase, exchange, gift, lease, inheritance, or legal action who does not apply for a new certificate of title within fifteen calendar days of delivery of the vehicle is charged a penalty, as described in RCW 46.17.140, when applying for a new certificate of title. It is a misdemeanor to fail or neglect to apply for a transfer of ownership within forty-five days after delivery of the vehicle. The misdemeanor is a single continuing offense for each day that passes regardless of the number of days that have elapsed following the forty-five day time period.
- (8) **Penalty for late transfer exceptions.** The penalty is not charged if the delay in application is due to at least one of the following:
 - (a) The department requests additional supporting documents;
- (b) The department, county auditor or other agent, or subagent fails to perform or is neglectful;
- (c) The owner is prevented from applying due to an illness or extended hospitalization;
 - (d) The legal owner fails or neglects to release interest;
- (e) The owner did not know of the filing of a report of sale by the previous owner and signs an affidavit to the fact; or
- (f) The department finds other conditions exist that adequately explain the delay.

- (9) **Review and issue.** The department shall review applications for certificates of title and issue certificates of title when it has determined that all applicable provisions of law have been complied with.
- (10) **Rules.** The department may adopt rules as necessary to implement this section.
- **Sec. 215.** RCW 88.02.560 and 2011 c 171 s 129 are each amended to read as follows:
- (1) An application for a vessel registration must be made by the owner or the owner's authorized representative to the department, county auditor or other agent, or subagent appointed by the director on a form furnished or approved by the department. The application must contain:
 - (a) The name and address of each owner of the vessel;
 - (b) Other information the department may require; and
 - (c) The signature of at least one owner.
 - (2) The application for vessel registration must be accompanied by the:
 - (a) Vessel registration fee required under RCW 88.02.640(1)(($\frac{(i)}{(i)}$)) ($\frac{k}{(k)}$);
- (b) Derelict vessel and invasive species removal fee under RCW 88.02.640(((3))) (1)(b) and derelict vessel removal surcharge required under RCW 88.02.640(((4))) (1)(c);
 - (c) Filing fee required under RCW 88.02.640(1)(((e))) <u>(f)</u>;
- (d) License plate technology fee required under RCW 88.02.640(1)(((f))) (g);
 - (e) License service fee required under RCW 88.02.640(1)(((g))) (<u>h)</u>; ((and))
 - (f) Watercraft excise tax required under chapter 82.49 RCW; and
 - (g) Beginning January 1, 2016, service fee required under RCW 46.17.040.
- (3) Upon receipt of an application for vessel registration and the required fees and taxes, the department shall assign a registration number and issue a decal for each vessel. The registration number and decal must be issued and affixed to the vessel in a manner prescribed by the department consistent with the standard numbering system for vessels required in 33 C.F.R. Part 174. A valid decal affixed as prescribed must indicate compliance with the annual registration requirements of this chapter.
- (4) Vessel registrations and decals are valid for a period of one year, except that the director may extend or diminish vessel registration periods and vessel decals for the purpose of staggered renewal periods. For registration periods of more or less than one year, the department may collect prorated annual registration fees and excise taxes based upon the number of months in the registration period.
- (5) Vessel registrations are renewable every year in a manner prescribed by the department upon payment of the fees and taxes described in subsection (2) of this section. Upon renewing a vessel registration, the department shall issue a new decal to be affixed as prescribed by the department.
- (6) When the department issues either a notice to renew a vessel registration or a decal for a new or renewed vessel registration, it shall also provide information on the location of marine oil recycling tanks and sewage holding tank pumping stations. This information must be provided to the department by the state parks and recreation commission in a form ready for distribution. The form must be developed and prepared by the state parks and recreation commission with the cooperation of the department of ecology. The department,

the state parks and recreation commission, and the department of ecology shall enter into a memorandum of agreement to implement this process.

- (7) A person acquiring a vessel from a dealer or a vessel already validly registered under this chapter shall, within fifteen days of the acquisition or purchase of the vessel, apply to the department, county auditor or other agent, or subagent appointed by the director for transfer of the vessel registration, and the application must be accompanied by a transfer fee as required in RCW 88.02.640(1)(((1))) (o).
- **Sec. 216.** RCW 88.02.640 and 2013 c 291 s 1 are each amended to read as follows:
- (1) In addition to any other fees and taxes required by law, the department, county auditor or other agent, or subagent appointed by the director shall charge the following vessel fees and surcharge:

FEE	AMOUNT	AUTHORITY	DISTRIBUTION
(a) Dealer temporary permit	\$5.00	RCW 88.02.800(2)	General fund
(b) Derelict vessel and invasive species removal	Subsection (3) of this section	Subsection (3) of this section	Subsection (3) of this section
(c) Derelict vessel removal surcharge	\$1.00	Subsection (4) of this section	Subsection (4) of this section
(d) Duplicate certificate of title	\$1.25	RCW 88.02.530(1)(c)	General fund
(e) Duplicate registration	\$1.25	RCW 88.02.590(1)(c)	General fund
(f) Filing	RCW 46.17.005	RCW 88.02.560(2)	RCW 46.68.400
(g) License plate technology	RCW 46.17.015	RCW 88.02.560(2)	RCW 46.68.370
(h) License service	RCW 46.17.025	RCW 88.02.560(2)	RCW 46.68.220
(i) Nonresident vessel permit	\$25.00	RCW 88.02.620(3)	Subsection (5) of this section
(j) Quick title service	\$50.00	RCW 88.02.540(3)	Subsection (7) of this section
(k) Registration	\$10.50	RCW 88.02.560(2)	RCW 88.02.650
(l) Replacement decal	\$1.25	RCW 88.02.595(1)(c)	General fund
(m) <u>Service fee</u>	RCW 46.17.040	RCW 88.02.515 and 88.02.560(2)	RCW 46.17.040

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(n) Title application	\$5.00	RCW 88.02.515	General fund
(((n))) <u>(o)</u> Transfer	\$1.00	RCW 88.02.560(7)	General fund
(((o))) <u>(p)</u> Vessel visitor permit	\$30.00	RCW 88.02.610(3)	Subsection (6) of this section

- (2) The five dollar dealer temporary permit fee required in subsection (1) of this section must be credited to the payment of registration fees at the time application for registration is made.
- (3) The derelict vessel and invasive species removal fee required in subsection (1) of this section is five dollars and must be distributed as follows:
- (a) One dollar and fifty cents must be deposited in the aquatic invasive species prevention account created in RCW 77.12.879;
- (b) One dollar must be deposited into the aquatic algae control account created in RCW 43.21A.667;
- (c) Fifty cents must be deposited into the aquatic invasive species enforcement account created in RCW 43.43.400; and
- (d) Two dollars must be deposited in the derelict vessel removal account created in RCW 79.100.100.
- (4) In addition to other fees required in this section, an annual derelict vessel removal surcharge of one dollar must be charged with each vessel registration. The surcharge is to address the significant backlog of derelict vessels accumulated in Washington waters that pose a threat to the health and safety of the people and to the environment and must be deposited into the derelict vessel removal account created in RCW 79.100.100.
- (5) The twenty-five dollar nonresident vessel permit fee must be paid by the vessel owner to the department for the cost of providing the identification document by the department. Any moneys remaining from the fee after the payment of costs must be allocated to counties by the state treasurer for approved boating safety programs under RCW 88.02.650.
 - (6) The thirty dollar vessel visitor permit fee must be distributed as follows:
- (a) Five dollars must be deposited in the derelict vessel removal account created in RCW 79.100.100;
- (b) The department may keep an amount to cover costs for providing the vessel visitor permit;
- (c) Any moneys remaining must be allocated to counties by the state treasurer for approved boating safety programs under RCW 88.02.650; and
- (d) Any fees required for licensing agents under RCW 46.17.005 are in addition to any other fee or tax due for the titling and registration of vessels.
 - (7)(a) The fifty dollar quick title service fee must be distributed as follows:
- (i) If the fee is paid to the director, the fee must be deposited to the general fund.
- (ii) If the fee is paid to the participating county auditor or other agent or subagent appointed by the director, twenty-five dollars must be deposited to the general fund. The remainder must be retained by the county treasurer in the same manner as other fees collected by the county auditor.

- (b) For the purposes of this subsection, "quick title" has the same meaning as in RCW 88.02.540.
- (8) The department, county auditor or other agent, or subagent appointed by the director shall charge the service fee under subsection (1)(m) of this section beginning January 1, 2016.

PART III LOCAL TRANSPORTATION REVENUE Transportation Benefit Districts

<u>NEW SECTION.</u> **Sec. 301.** Any city or county in which a transportation benefit district has been established pursuant to chapter 36.73 RCW with boundaries coterminous with the boundaries of the city or county may by ordinance or resolution of the city or county legislative authority assume the rights, powers, functions, and obligations of the transportation benefit district in accordance with this chapter.

NEW SECTION. Sec. 302. (1) The assumption of the rights, powers, functions, and obligations of a transportation benefit district may be initiated by the adoption of an ordinance or a resolution by the city or county legislative authority indicating its intention to conduct a hearing concerning the assumption of such rights, powers, functions, and obligations. If the city or county legislative authority adopts such an ordinance or a resolution of intention, the ordinance or resolution must set a time and place at which the city or county legislative authority will consider the proposed assumption of the rights, powers, functions, and obligations of the transportation benefit district, and must state that all persons interested may appear and be heard. The ordinance or resolution of intention must be published at least two times during the two weeks preceding the scheduled hearing in newspapers of daily general circulation printed or published in the city or county in which the transportation benefit district is to be located

(2) At the time scheduled for the hearing in the ordinance or resolution of intention, the city or county legislative authority must consider the assumption of the rights, powers, functions, and obligations of the transportation benefit district and hear those appearing and all protests and objections to it. The city or county legislative authority may continue the hearing from time to time, not exceeding sixty days in all.

<u>NEW SECTION.</u> **Sec. 303.** (1) If, after receiving testimony, the city or county legislative authority determines that the public interest or welfare would be satisfied by the city or county assuming the rights, powers, immunities, functions, and obligations of the transportation benefit district, the city or county legislative authority may declare that to be its intent and assume such rights, powers, immunities, functions, and obligations by ordinance or resolution, providing that the city or county is vested with every right, power, immunity, function, and obligation currently granted to or possessed by the transportation benefit district.

(2) Upon assumption of the rights, powers, immunities, functions, and obligations of the transportation benefit district by the city or county, the governing body established pursuant to RCW 36.73.020 must be abolished and

the city or county legislative authority is vested with all rights, powers, immunities, functions, and obligations otherwise vested by law in the governing board of the transportation benefit district.

NEW SECTION. Sec. 304. No transfer of any function made pursuant to this chapter may be construed to impair or alter any existing rights acquired under chapter 36.73 RCW or any other provision of law relating to transportation benefit districts, nor as impairing or altering any actions, activities, or proceedings validated thereunder, nor as impairing or altering any civil or criminal proceedings instituted thereunder, nor any rule, regulation, or order promulgated thereunder, nor any administrative action taken thereunder; and neither the assumption of control of any transportation benefit district function by a city or county, nor any transfer of rights, powers, functions, and obligations as provided in this chapter, may impair or alter the validity of any act performed by such transportation benefit district or division thereof or any officer thereof prior to the assumption of such rights, powers, functions, and obligations by any city or county as authorized under this chapter.

<u>NEW SECTION.</u> **Sec. 305.** (1) All rules and regulations and all pending business before the board of any transportation benefit district transferred pursuant to this chapter must be continued and acted upon by the city or county.

(2) All existing contracts and obligations of the transferred transportation benefit district remain in full force and effect and must be performed by the city or county. A transfer authorized in this chapter does not affect the validity of any official act performed by any official or employee prior to the transfer authorized pursuant to this chapter.

<u>NEW SECTION.</u> **Sec. 306.** (1) All reports, documents, surveys, books, records, files, papers, or other writings relating to the administration of the powers, duties, and functions transferred pursuant to this chapter and available to the transportation benefit district must be made available to the city or county.

- (2) All funds, credits, or other assets held in connection with powers, duties, and functions transferred under this chapter must be assigned to the city or county.
- (3) Any appropriations or federal grant made to the transportation benefit district for the purpose of carrying out the rights, powers, functions, and obligations authorized to be assumed by a city or county pursuant to this chapter, on the effective date of such transfer, must be credited to the city or county for the purpose of carrying out such transferred rights, powers, functions, and obligations.

<u>NEW SECTION.</u> **Sec. 307.** The city or county must assume and agree to provide for the payment of all of the indebtedness of the transportation benefit district, including the payment and retirement of outstanding general obligation and revenue bonds issued by the transportation benefit district.

<u>NEW SECTION.</u> **Sec. 308.** Sections 301 through 307 of this act constitute a new chapter in Title 36 RCW.

Sec. 309. RCW 36.73.065 and 2012 c 152 s 3 are each amended to read as follows:

(1) Except as provided in subsection (4) of this section, taxes, fees, charges, and tolls may not be imposed by a district without approval of a majority of the

voters in the district voting on a proposition at a general or special election. The proposition must include a specific description of: (a) The transportation improvement or improvements proposed by the district; (b) any rebate program proposed to be established under RCW 36.73.067; and (c) the proposed taxes, fees, charges, and the range of tolls imposed by the district to raise revenue to fund the improvement or improvements or rebate program, as applicable.

- (2) Voter approval under this section must be accorded substantial weight regarding the validity of a transportation improvement as defined in RCW 36.73.015.
- (3) A district may not increase any taxes, fees, charges, or range of tolls imposed or change a rebate program under this chapter once the taxes, fees, charges, tolls, or rebate program takes effect, ((unless)) except:
 - (a) If authorized by the district voters pursuant to RCW 36.73.160;
- (b) With respect to a change in a rebate program, a material change policy adopted pursuant to RCW 36.73.160 is followed and the change does not reduce the percentage level or rebate amount;
- (c) For up to forty dollars of the vehicle fee authorized in RCW 82.80.140 by the governing board of the district if a vehicle fee of twenty dollars has been imposed for at least twenty-four months; or
- (d) For up to fifty dollars of the vehicle fee authorized in RCW 82.80.140 by the governing board of the district if a vehicle fee of forty dollars has been imposed for at least twenty-four months and a district has met the requirements of subsection (6) of this section.
- (4)(a) A district that includes all the territory within the boundaries of the jurisdiction, or jurisdictions, establishing the district may impose by a majority vote of the governing board of the district the following fees and charges:
- (i) Up to twenty dollars of the vehicle fee authorized in RCW 82.80.140; $((e^{-}))$
- (ii) Up to forty dollars of the vehicle fee authorized in RCW 82.80.140 if a vehicle fee of twenty dollars has been imposed for at least twenty-four months;
- (iii) Up to fifty dollars of the vehicle fee authorized in RCW 82.80.140 if a vehicle fee of forty dollars has been imposed for at least twenty-four months and a district has met the requirements of subsection (6) of this section; or
 - (iv) A fee or charge in accordance with RCW 36.73.120.
- (b) The vehicle fee authorized in (a) of this subsection may only be imposed for a passenger-only ferry transportation improvement if the vehicle fee is first approved by a majority of the voters within the jurisdiction of the district.
- (c)(i) A district solely comprised of a city or cities ((shall)) may not impose the fees or charges identified in (a) of this subsection within one hundred eighty days after July 22, 2007, unless the county in which the city or cities reside, by resolution, declares that it will not impose the fees or charges identified in (a) of this subsection within the one hundred eighty-day period; or
- (ii) A district solely comprised of a city or cities identified in RCW 36.73.020(6)(b) may not impose the fees or charges until after May 22, 2008, unless the county in which the city or cities reside, by resolution, declares that it will not impose the fees or charges identified in (a) of this subsection through May 22, 2008.
- (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be reached, a district that includes only the unincorporated territory of a county may impose

by a majority vote of the governing body of the district up to: (a) Twenty dollars of the vehicle fee authorized in RCW 82.80.140, (b) forty dollars of the vehicle fee authorized in RCW 82.80.140 if a fee of twenty dollars has been imposed for at least twenty-four months, or (c) fifty dollars of the vehicle fee authorized in RCW 82.80.140 if a vehicle fee of forty dollars has been imposed for at least twenty-four months and a district has met the requirements of subsection (6) of this section.

(6) If a district intends to impose a vehicle fee of more than forty dollars by a majority vote of the governing body of the district, the governing body must publish notice of this intention, in one or more newspapers of general circulation within the district, by April 1st of the year in which the vehicle fee is to be imposed. If within ninety days of the date of publication a petition is filed with the county auditor containing the signatures of eight percent of the number of voters registered and voting in the district for the office of the governor at the last preceding gubernatorial election, the county auditor must canvass the signatures in the same manner as prescribed in RCW 29A.72.230 and certify their sufficiency to the governing body within two weeks. The proposition to impose the vehicle fee must then be submitted to the voters of the district at a special election, called for this purpose, no later than the date on which a primary election would be held under RCW 29A.04.311. The vehicle fee may then be imposed only if approved by a majority of the voters of the district voting on the proposition.

Sec. 310. RCW 82.80.140 and 2010 c 161 s 917 are each amended to read as follows:

- (1) Subject to the provisions of RCW 36.73.065, a transportation benefit district under chapter 36.73 RCW may fix and impose an annual vehicle fee, not to exceed one hundred dollars per vehicle registered in the district, for each vehicle subject to vehicle license fees under RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), or (n) through (q) and for each vehicle subject to gross weight license fees under RCW 46.17.355 with a scale weight of six thousand pounds or less.
- (2)(a) A district that includes all the territory within the boundaries of the jurisdiction, or jurisdictions, establishing the district may impose by a majority vote of the governing board of the district up to: (i) Twenty dollars of the vehicle fee authorized in subsection (1) of this section, (ii) forty dollars of the vehicle fee authorized in subsection (1) of this section if a twenty dollar vehicle fee has been imposed for at least twenty-four months, or (iii) fifty dollars of the vehicle fee authorized in subsection (1) of this section if a vehicle fee of forty dollars has been imposed for at least twenty-four months and a district has met the requirements of RCW 36.73.065(6).

If the district is countywide, the revenues of the fee ((shall)) must be distributed to each city within the ((eounty)) district by interlocal agreement. The interlocal agreement is effective when approved by the ((eounty)) district and sixty percent of the cities representing seventy-five percent of the population of the cities within the ((eounty)) district in which the countywide fee is collected.

(b) A district may not impose a fee under this subsection (2):

- (i) For a passenger-only ferry transportation improvement unless the vehicle fee is first approved by a majority of the voters within the jurisdiction of the district; or
- (ii) That, if combined with the fees previously imposed by another district within its boundaries under RCW 36.73.065(4)(a)(i), exceeds ((twenty)) fifty dollars

If a district imposes or increases a fee under this subsection (2) that, if combined with the fees previously imposed by another district within its boundaries, exceeds ((twenty)) fifty dollars, the district shall provide a credit for the previously imposed fees so that the combined vehicle fee does not exceed ((twenty)) fifty dollars.

- (3) The department of licensing shall administer and collect the fee. The department shall deduct a percentage amount, as provided by contract, not to exceed one percent of the fees collected, for administration and collection expenses incurred by it. The department shall remit remaining proceeds to the custody of the state treasurer. The state treasurer shall distribute the proceeds to the district on a monthly basis.
- (4) No fee under this section may be collected until six months after approval under RCW 36.73.065.
- (5) The vehicle fee under this section applies only when renewing a vehicle registration, and is effective upon the registration renewal date as provided by the department of licensing.
 - (6) The following vehicles are exempt from the fee under this section:
 - (a) Campers, as defined in RCW 46.04.085;
- (b) Farm tractors or farm vehicles, as defined in RCW 46.04.180 and 46.04.181;
 - (c) Mopeds, as defined in RCW 46.04.304;
 - (d) Off-road and nonhighway vehicles, as defined in RCW 46.04.365;
 - (e) Private use single-axle trailer, as defined in RCW 46.04.422;
 - (f) Snowmobiles, as defined in RCW 46.04.546; and
- (g) Vehicles registered under chapter $46.87\ RCW$ and the international registration plan.
- **Sec. 311.** RCW 36.73.015 and 2012 c 152 s 1 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "City" means a city or town.
- (2) "District" means a transportation benefit district created under this chapter.
- (3) "Low-income" means household income <u>set by the district creating the rebate program</u> that is at or below ((forty-five)) <u>seventy-five</u> percent of the median household income, adjusted for household size, for the district in which the fees, taxes, or tolls were imposed.
- (4) "Rebate program" means an optional program established by a transportation benefit district that includes a city with a population of five hundred thousand persons or more for the purpose of providing rebates to lowincome individuals for fees, taxes, and/or tolls imposed by such transportation benefit district for: (a) Vehicle fees imposed under RCW

- 36.73.040(3)(b); (b) sales and use taxes imposed under RCW 36.73.040(3)(a); and/or (c) tolls imposed under RCW 36.73.040(3)(d).
- (5) "Supplemental transportation improvement" or "supplemental improvement" means any project, work, or undertaking to provide public transportation service, in addition to a district's existing or planned voter-approved transportation improvements, proposed by a participating city member of the district under RCW 36.73.180.
- (6) "Transportation improvement" means a project contained in the transportation plan of the state, a regional transportation planning organization, city, county, or eligible jurisdiction as identified in RCW 36.73.020(2). A project may include investment in new or existing highways of statewide significance, principal arterials of regional significance, high capacity transportation, public transportation, and other transportation projects and programs of regional or statewide significance including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs.

Community Transit Sales Tax

Sec. 312. RCW 82.14.045 and 2008 c 86 s 102 are each amended to read as follows:

(1) The legislative body of any city pursuant to RCW 35.92.060, of any county which has created an unincorporated transportation benefit area pursuant to RCW 36.57.100 and 36.57.110, of any public transportation benefit area pursuant to RCW 36.57A.080 and 36.57A.090, of any county transportation authority established pursuant to chapter 36.57 RCW, and of any metropolitan municipal corporation within a county with a population of one million or more pursuant to chapter 35.58 RCW, may, by resolution or ordinance for the sole purpose of providing funds for the operation, maintenance, or capital needs of public transportation systems or public transportation limited to persons with special needs under RCW 36.57.130 and 36.57A.180, and in lieu of the excise taxes authorized by RCW 35.95.040, submit an authorizing proposition to the voters or include such authorization in a proposition to perform the function of public transportation or public transportation limited to persons with special needs under RCW 36.57.130 and 36.57A.180, and if approved by a majority of persons voting thereon, impose a sales and use tax in accordance with the terms of this chapter. Where an authorizing proposition is submitted by a county on behalf of an unincorporated transportation benefit area, it shall be voted upon by the voters residing within the boundaries of such unincorporated transportation benefit area and, if approved, the sales and use tax shall be imposed only within such area. Notwithstanding any provisions of this section to the contrary, any county in which a county public transportation plan has been adopted pursuant to RCW 36.57.070 and the voters of such county have authorized the imposition of a sales and use tax pursuant to the provisions of section 10, chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975, shall be authorized to fix and impose a sales and use tax as provided in this section at not to exceed the rate so authorized without additional approval of the voters of such county as otherwise required by this section.

The tax authorized by this section shall be in addition to the tax authorized by RCW 82.14.030 and shall be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any

taxable event within such city, public transportation benefit area, county, or metropolitan municipal corporation as the case may be. The rate of such tax shall be one-tenth, two-tenths, three-tenths, four-tenths, five-tenths, six-tenths, seventenths, eight-tenths, or nine-tenths of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). The rate of such tax shall not exceed the rate authorized by the voters unless such increase shall be similarly approved.

- (2)(a) In the event a metropolitan municipal corporation imposes a sales and use tax pursuant to this chapter no city, county which has created an unincorporated transportation benefit area, public transportation benefit area authority, or county transportation authority wholly within such metropolitan municipal corporation shall be empowered to impose and/or collect taxes under RCW 35.95.040 or this section, but nothing herein shall prevent such city or county from imposing sales and use taxes pursuant to any other authorization.
- (b) In the event a county transportation authority imposes a sales and use tax under this section, no city, county which has created an unincorporated transportation benefit area, public transportation benefit area, or metropolitan municipal corporation, located within the territory of the authority, shall be empowered to impose or collect taxes under RCW 35.95.040 or this section.
- (c) In the event a public transportation benefit area imposes a sales and use tax under this section, no city, county which has created an unincorporated transportation benefit area, or metropolitan municipal corporation, located wholly or partly within the territory of the public transportation benefit area, shall be empowered to impose or collect taxes under RCW 35.95.040 or this section.
- (3) The legislative body of a public transportation benefit area located in a county with a population of seven hundred thousand or more that also contains a city with a population of seventy-five thousand or more operating a transit system pursuant to chapter 35.95 RCW may submit an authorizing proposition to the voters and, if approved by a majority of persons voting on the proposition, impose a sales and use tax in accordance with the terms of this chapter of one-tenth, two-tenths, or three-tenths of one percent of the selling price, in the case of a sales tax, or value of the article used, in the case of a use tax, in addition to the rate in subsection (1) of this section.

Passenger-Only Ferry Service Districts

<u>NEW SECTION.</u> **Sec. 313.** A new section is added to chapter 36.57A RCW to read as follows:

(1) A governing body of a public transportation benefit area, located in a county that only borders the western side of Puget Sound with a population of more than two hundred thousand and contains one or more Washington state ferries terminals, may establish one or more passenger-only ferry service districts within all or a portion of the boundaries of the public transportation benefit area establishing the passenger-only ferry service district. A passenger-only ferry service district may include all or a portion of a city or town as long as all or a portion of the city or town boundaries are within the boundaries of the establishing public transportation benefit area. The members of the public transportation benefit area governing body proposing to establish the passenger-only ferry service district, acting ex officio and independently, constitutes the governing body of the passenger-only ferry service district.

- (2) A passenger-only ferry service district may establish, finance, and provide passenger-only ferry service, and associated services to support and augment passenger-only ferry service operation, within its boundaries in the same manner as authorized for public transportation benefit areas under this chapter.
- (3) A passenger-only ferry service district constitutes a body corporate and possesses all the usual powers of a corporation for public purposes as well as all other powers that may be conferred by statute including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, to acquire, hold, and dispose of real and personal property, and to sue and be sued. Public works contract limits applicable to the public transportation benefit area that established the passenger-only ferry service district apply to the district. For purposes of this section, "passenger-only ferry service district" means a quasimunicipal corporation and independent taxing authority within the meaning of Article VII, section 1 of the state Constitution, and a taxing district within the meaning of Article VII, section 2 of the state Constitution, created by the legislative body of a public transportation benefit area.
- (4) Before a passenger-only ferry service district may provide passengeronly ferry service, it must develop a passenger-only ferry investment plan, including elements: To operate or contract for the operation of passenger-only ferry services; to purchase, lease, or rent ferry vessels and dock facilities for the provision of transit service; and to identify other activities necessary to implement the plan. The plan must set forth terminal locations to be served, projected costs of providing services, and revenues to be generated from tolls, locally collected tax revenues, and other revenue sources. The plan must ensure that services provided under the plan are for the benefit of the residents of the passenger-only ferry service district. The passenger-only ferry service district may use any of its powers to carry out this purpose, unless otherwise prohibited by law. In addition, the passenger-only ferry service district may enter into: Contracts and agreements to operate passenger-only ferry service; public-private partnerships; and design-build, general contractor/construction management, or other alternative procurement processes substantially consistent with chapter 39.10 RCW.
- (5) A passenger-only ferry service district may be dissolved by a majority vote of the governing body when all obligations under any general obligation bonds issued by the passenger-only ferry service district have been discharged and any other contractual obligations of the passenger-only ferry service district have either been discharged or assumed by another governmental entity.

<u>NEW SECTION.</u> **Sec. 314.** A new section is added to chapter 36.57A RCW to read as follows:

- (1) A passenger-only ferry service district may, as part of a passenger-only ferry investment plan, recommend some or all of the following revenue sources as provided in this chapter:
 - (a) A sales and use tax, as authorized in section 315 of this act;
 - (b) A parking tax, as authorized in section 316 of this act;
 - (c) Tolls for passengers, packages, and, where applicable, parking; and
- (d) Charges or licensing fees for advertising, leasing space for services to ferry passengers, and other revenue generating activities.

(2) Taxes may not be imposed without an affirmative vote of the majority of the voters within the boundaries of the passenger-only ferry service district voting on a single ballot proposition to both approve a passenger-only ferry investment plan and to approve taxes to implement the plan. Revenues from these taxes and fees may be used only to implement the plan and must be used for the benefit of the residents of the passenger-only ferry service district. A district must contract with the department of revenue for the administration and collection of a sales and use tax as authorized in section 315 of this act. A district may contract with other appropriate entities for the administration and collection of any of the other taxes or charges authorized in this section.

<u>NEW SECTION.</u> **Sec. 315.** A new section is added to chapter 82.14 RCW to read as follows:

- (1) Passenger-only ferry service districts providing passenger-only ferry service as provided in section 313 of this act may submit an authorizing proposition to the voters and, if approved by a majority of persons voting, fix and impose a sales and use tax in accordance with the terms of this chapter, solely for the purpose of providing passenger-only ferry service and associated services to support and augment passenger-only ferry service operation.
- (2) The tax authorized under this section is in addition to other taxes authorized by law and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of a taxable event within the taxing district. The maximum rate of the tax must be approved by the voters and may not exceed three-tenths of one percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax.

<u>NEW SECTION.</u> **Sec. 316.** A new section is added to chapter 82.80 RCW to read as follows:

- (1) Subject to the conditions of this section, a passenger-only ferry service district located in a county with a population of one million or less as of January 1, 2016, may fix and impose a parking tax on all persons engaged in a commercial parking business within its respective jurisdiction.
- (2) In lieu of the tax in subsection (1) of this section, a passenger-only ferry service district located in a county with a population of one million or less as of January 1, 2016, may fix and impose a tax for the act or privilege of parking a motor vehicle in a facility operated by a commercial parking business. The passenger-only ferry service district may provide that:
 - (a) The tax is paid by the operator or owner of the motor vehicle;
- (b) The tax applies to all parking for which a fee is paid, whether paid or leased, including parking supplied with a lease of nonresidential space;
- (c) The tax is collected by the operator of the facility and remitted to the city, county, or passenger-only ferry service district;
 - (d) The tax is a fee per vehicle or is measured by the parking charge;
- (e) The tax rate varies with zoning or location of the facility, the duration of the parking, the time of entry or exit, the type or use of the vehicle, or other reasonable factors; and
- (f) Tax exempt carpools, vehicles with special license plates and parking placards for persons with disabilities, or government vehicles are exempt from the tax.

- (3) The rate of the tax under subsection (1) of this section may be based either upon gross proceeds or the number of vehicle stalls available for commercial parking use. The rates charged must be uniform for the same class or type of commercial parking business.
- (4) The passenger-only ferry service district levying the tax provided for in subsection (1) or (2) of this section may provide for its payment on a monthly, quarterly, or annual basis.
- (5) The proceeds of the parking tax imposed by a passenger-only ferry service district under subsection (1) or (2) of this section must be used as provided in section 314 of this act.
- (6) "Commercial parking business" as used in this section, means the ownership, lease, operation, or management of a commercial parking lot in which fees are charged. "Commercial parking lot" means a covered or uncovered area with stalls for the purpose of parking motor vehicles.

<u>NEW SECTION.</u> **Sec. 317.** A new section is added to chapter 36.57A RCW to read as follows:

- (1) To carry out the purposes of this chapter, a passenger-only ferry service district may issue general obligation bonds, not to exceed an amount, together with any other outstanding nonvoter-approved general obligation indebtedness, equal to one and one-half percent of the value of the taxable property within the area, as the term "value of the taxable property" is defined in RCW 39.36.015. A passenger-only ferry service district may also issue general obligation bonds for capital purposes only, together with any outstanding general obligation indebtedness, not to exceed an amount equal to five percent of the value of the taxable property within the area, as the term "value of the taxable property" is defined in RCW 39.36.015, when authorized by the voters of the area pursuant to Article VIII, section 6 of the state Constitution.
- (2) General obligation bonds with a maturity in excess of twenty-five years may not be issued. The governing body of the passenger-only ferry service district must by resolution determine for each general obligation bond issue the amount, date, terms, conditions, denominations, maximum fixed or variable interest rate or rates, maturity or maturities, redemption rights, registration privileges, manner of execution, manner of sale, callable provisions, if any, covenants, and form, including registration as to principal and interest, registration as to principal only, or bearer. Registration may include, but not be limited to: (a) A book entry system of recording the ownership of a bond whether or not physical bonds are issued, or (b) recording the ownership of a bond together with the requirement that the transfer of ownership may only be effected by the surrender of the old bond and either the reissuance of the old bond or the issuance of a new bond to the new owner. Facsimile signatures may be used on the bonds and any coupons. Refunding general obligation bonds may be issued in the same manner as general obligation bonds are issued.
- (3) Whenever general obligation bonds are issued to fund specific projects or enterprises that generate revenues, charges, user fees, or special assessments, the passenger-only ferry service district may specifically pledge all or a portion of the revenues, charges, user fees, or special assessments to refund the general obligation bonds. The passenger-only ferry service district may also pledge any other revenues that may be available to the district.

(4) In addition to general obligation bonds, a passenger-only ferry service district may issue revenue bonds to be issued and sold in accordance with chapter 39.46 RCW.

Sound Transit Funding - ST3

- **Sec. 318.** RCW 81.104.140 and 2002 c 56 s 202 are each amended to read as follows:
- (1) Agencies authorized to provide high capacity transportation service, including transit agencies and regional transit authorities, and regional transportation investment districts acting with the agreement of an agency, are hereby granted dedicated funding sources for such systems. These dedicated funding sources, as set forth in RCW 81.104.150, 81.104.160, ((and)) 81.104.170, and section 321 of this act, are authorized only for agencies located in (a) each county with a population of two hundred ten thousand or more and (b) each county with a population of from one hundred twenty-five thousand to less than two hundred ten thousand except for those counties that do not border a county with a population as described under (a) of this subsection. In any county with a population of one million or more or in any county having a population of four hundred thousand or more bordering a county with a population of one million or more, these funding sources may be imposed only by a regional transit authority or a regional transportation investment district. Regional transportation investment districts may, with the approval of the regional transit authority within its boundaries, impose the taxes authorized under this chapter, but only upon approval of the voters and to the extent that the maximum amount of taxes authorized under this chapter have not been imposed.
- (2) Agencies planning to construct and operate a high capacity transportation system should also seek other funds, including federal, state, local, and private sector assistance.
- (3) Funding sources should satisfy each of the following criteria to the greatest extent possible:
 - (a) Acceptability;
 - (b) Ease of administration;
 - (c) Equity;
 - (d) Implementation feasibility;
 - (e) Revenue reliability; and
 - (f) Revenue yield.
- (4)(a) Agencies participating in regional high capacity transportation system development are authorized to levy and collect the following voter-approved local option funding sources:
- $((\frac{(a)}{a}))$ (i) Employer tax as provided in RCW 81.104.150, other than by regional transportation investment districts;
- (((b))) (ii) Special motor vehicle excise tax as provided in RCW 81.104.160; ((and
 - (e))) (iii) Regular property tax as provided in section 321 of this act; and
 - (iv) Sales and use tax as provided in RCW 81.104.170.
- (b) Revenues from these taxes may be used only to support those purposes prescribed in subsection (10) of this section. Before the date of an election authorizing an agency to impose any of the taxes enumerated in this section and authorized in RCW 81.104.150, 81.104.160, ((and)) 81.104.170, and section 321 of this act, the agency must comply with the process prescribed in RCW

- 81.104.100 (1) and (2) and 81.104.110. No construction on exclusive rightofway may occur before the requirements of RCW 81.104.100(3) are met.
- (5) Except for the regular property tax authorized in section 321 of this act, the authorization in subsection (4) of this section ((shall)) may not adversely affect the funding authority of transit agencies not provided for in this chapter. Local option funds may be used to support implementation of interlocal agreements with respect to the establishment of regional high capacity transportation service. Except when a regional transit authority exists, local jurisdictions ((shall)) must retain control over moneys generated within their boundaries, although funds may be commingled with those generated in other areas for planning, construction, and operation of high capacity transportation systems as set forth in the agreements.
- (6) Except for the regular property tax authorized in section 321 of this act, agencies planning to construct and operate high capacity transportation systems may contract with the state for collection and transference of voter-approved local option revenue.
- (7) Dedicated high capacity transportation funding sources authorized in RCW 81.104.150, 81.104.160, ((and)) 81.104.170 ((shall be)), and section 321 of this act are subject to voter approval by a simple majority. A single ballot proposition may seek approval for one or more of the authorized taxing sources. The ballot title ((shall)) must reference the document identified in subsection (8) of this section.
- (8) Agencies ((shall)) <u>must</u> provide to the registered voters in the area a document describing the systems plan and the financing plan set forth in RCW 81.104.100. It ((shall)) <u>must</u> also describe the relationship of the system to regional issues such as development density at station locations and activity centers, and the interrelationship of the system to adopted land use and transportation demand management goals within the region. This document ((shall)) <u>must</u> be provided to the voters at least twenty days prior to the date of the election.
- (9) For any election in which voter approval is sought for a high capacity transportation system plan and financing plan pursuant to RCW 81.104.040, a local voter's pamphlet ((shall)) <u>must</u> be produced as provided in chapter ((29.81A)) 29A.32 RCW.
- (10)(a) Agencies providing high capacity transportation service ((shall)) must retain responsibility for revenue encumbrance, disbursement, and bonding. Funds may be used for any purpose relating to planning, construction, and operation of high capacity transportation systems and commuter rail systems, personal rapid transit, busways, bus sets, and entrained and linked buses.
- (b) A regional transit authority that imposes a motor vehicle excise tax after the effective date of this section, imposes a property tax, or increases a sales and use tax to more than nine-tenths of one percent must undertake a process in which the authority's board formally considers inclusion of the name, Scott White, in the naming convention associated with either the University of Washington or Roosevelt stations.
- **Sec. 319.** RCW 81.104.160 and 2010 c 161 s 903 are each amended to read as follows:
- (1) Regional transit authorities that include a county with a population of more than one million five hundred thousand may submit an authorizing

proposition to the voters, and if approved, may levy and collect an excise tax, at a rate approved by the voters, but not exceeding eight-tenths of one percent on the value, under chapter 82.44 RCW, of every motor vehicle owned by a resident of the taxing district, solely for the purpose of providing high capacity transportation service. The maximum tax rate under this subsection does not include a motor vehicle excise tax approved before the effective date of this section if the tax will terminate on the date bond debt to which the tax is pledged is repaid. This tax does not apply to vehicles licensed under RCW 46.16A.455 except vehicles with an unladen weight of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2). Notwithstanding any other provision of this subsection or chapter 82.44 RCW, a motor vehicle excise tax imposed by a regional transit authority before or after the effective date of this section must comply with chapter 82.44 RCW as it existed on January 1, 1996, until December 31st of the year in which the regional transit authority repays bond debt to which a motor vehicle excise tax was pledged before the effective date of this section. Motor vehicle taxes collected by regional transit authorities after December 31st of the year in which a regional transit authority repays bond debt to which a motor vehicle excise tax was pledged before the effective date of this section must comply with chapter 82.44 RCW as it existed on the date the tax was approved by voters.

- (2) An agency and high capacity transportation corridor area may impose a sales and use tax solely for the purpose of providing high capacity transportation service, in addition to the tax authorized by RCW 82.14.030, upon retail car rentals within the applicable jurisdiction that are taxable by the state under chapters 82.08 and 82.12 RCW. The rate of tax ((shall)) may not exceed 2.172 percent. The rate of tax imposed under this subsection must bear the same ratio of the 2.172 percent authorized that the rate imposed under subsection (1) of this section bears to the rate authorized under subsection (1) of this section. The base of the tax ((shall be)) is the selling price in the case of a sales tax or the rental value of the vehicle used in the case of a use tax.
- (3) Any motor vehicle excise tax previously imposed under the provisions of RCW 81.104.160(1) shall be repealed, terminated, and expire on December 5, 2002, except for a motor vehicle excise tax for which revenues have been contractually pledged to repay a bonded debt issued before December 5, 2002, as determined by *Pierce County et al. v. State*, 159 Wn.2d 16, 148 P.3d 1002 (2006). In the case of bonds that were previously issued, the motor vehicle excise tax must comply with chapter 82.44 RCW as it existed on January 1, 1996.
- (4) If a regional transit authority imposes the tax authorized under subsection (1) of this section, the authority may not receive any state grant funds provided in an omnibus transportation appropriations act except transit coordination grants created in chapter . . . (Substitute House Bill No. 1842), Laws of 2015 3rd sp. sess.
- **Sec. 320.** RCW 81.104.170 and 2009 c 469 s 106 and 2009 c 280 s 5 are each reenacted and amended to read as follows:
- (1) Cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, public transportation benefit areas, high capacity transportation corridor areas, and regional transit authorities may submit an authorizing proposition to the voters and if approved by a majority of

persons voting, fix and impose a sales and use tax in accordance with the terms of this chapter, solely for the purpose of providing high capacity transportation service.

- (2) The tax authorized pursuant to this section ((shall be)) is in addition to the tax authorized by RCW 82.14.030 and ((shall)) must be collected from those persons who are taxable by the state pursuant to chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the taxing district.
- (a) Except for the tax imposed under (b) of this subsection by regional transit authorities that include a county with a population of more than one million five hundred thousand, the maximum rate of such tax ((shall)) must be approved by the voters and ((shall)) may not exceed one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). The maximum rate of such tax that may be imposed ((shall)) may not exceed nine-tenths of one percent in any county that imposes a tax under RCW 82.14.340, or within a regional transit authority if any county within the authority imposes a tax under RCW 82.14.340.
- (b) The maximum rate of such tax that may be imposed by a regional transit authority that includes a county with a population of more than one million five hundred thousand must be approved by the voters and may not exceed 1.4 percent. If a regional transit authority imposes the tax authorized under this subsection (2)(b) in excess of 0.9 percent, the authority may not receive any state grant funds provided in an omnibus transportation appropriations act except transit coordination grants created in chapter . . . (Substitute House Bill No. 1842), Laws of 2015 3rd sp. sess.
- (3)(a) The exemptions in RCW 82.08.820 and 82.12.820 are for the state portion of the sales and use tax and do not extend to the tax authorized in this section.
- (b) The exemptions in RCW 82.08.962 and 82.12.962 are for the state and local sales and use taxes and include the tax authorized by this section.

<u>NEW SECTION.</u> **Sec. 321.** A new section is added to chapter 81.104 RCW to read as follows:

- (1) A regional transit authority that includes a county with a population of more than one million five hundred thousand may impose a regular property tax levy in an amount not to exceed twenty-five cents per thousand dollars of the assessed value of property in the regional transit authority district in accordance with the terms of this section
- (2) Any tax imposed under this section must be used for the purpose of providing high capacity transportation service, as set forth in a proposition that is approved by a majority of the registered voters that vote on the proposition.
- (3) Property taxes imposed under this section may be imposed for the period of time required to pay the cost to plan, design, construct, operate, and maintain the transit facilities set forth in the approved proposition. Property taxes pledged to repay bonds may be imposed at the pledged amount until the bonds are retired. After the bonds are retired, property taxes authorized under this section must be:
- (a) Reduced to the level required to operate and maintain the regional transit authority's transit facilities; or
 - (b) Terminated, unless the taxes have been extended by public vote.

- (4) The limitations in RCW 84.52.043 do not apply to the tax authorized in this section.
- (5) The limitation in RCW 84.55.010 does not apply to the first levy imposed under this section.
- (6) If a regional transit authority imposes the tax authorized under subsection (1) of this section, the authority may not receive any state grant funds provided in an omnibus transportation appropriations act except transit coordination grants created in chapter . . . (Substitute House Bill No. 1842), Laws of 2015 3rd sp. sess.
- **Sec. 322.** RCW 84.52.043 and 2011 c 275 s 2 are each amended to read as follows:

Within and subject to the limitations imposed by RCW 84.52.050 as amended, the regular ad valorem tax levies upon real and personal property by the taxing districts hereafter named are as follows:

- (1) Levies of the senior taxing districts are as follows: (a) The levy by the state may not exceed three dollars and sixty cents per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county may not exceed one dollar and eighty cents per thousand dollars of assessed value; (c) the levy by any road district may not exceed two dollars and twenty-five cents per thousand dollars of assessed value; and (d) the levy by any city or town may not exceed three dollars and thirty-seven and one-half cents per thousand dollars of assessed value. However any county is hereby authorized to increase its levy from one dollar and eighty cents to a rate not to exceed two dollars and fortyseven and one-half cents per thousand dollars of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed four dollars and five cents per thousand dollars of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.
- (2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, may not exceed five dollars and ninety cents per thousand dollars of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection do not apply to: (a) Levies at the rates provided by existing law by or for any port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing for very low-income housing imposed under RCW 84.52.105; (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies for criminal justice purposes under RCW 84.52.135; (i) the portions of levies by fire protection districts that are protected under RCW 84.52.125; (j) levies by counties for transit-related purposes under RCW 84.52.140; ((and)) (k) the protected portion of the levies imposed under RCW 86.15.160 by flood control zone districts in a county with a population of seven

hundred seventy-five thousand or more that are coextensive with a county; and (1) levies imposed by a regional transit authority under section 321 of this act.

Sec. 323. RCW 84.52.043 and 2015 c 170 s 4 are each amended to read as follows:

Within and subject to the limitations imposed by RCW 84.52.050 as amended, the regular ad valorem tax levies upon real and personal property by the taxing districts hereafter named are as follows:

- (1) Levies of the senior taxing districts are as follows: (a) The levy by the state may not exceed three dollars and sixty cents per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county may not exceed one dollar and eighty cents per thousand dollars of assessed value; (c) the levy by any road district may not exceed two dollars and twenty-five cents per thousand dollars of assessed value; and (d) the levy by any city or town may not exceed three dollars and thirty-seven and one-half cents per thousand dollars of assessed value. However any county is hereby authorized to increase its levy from one dollar and eighty cents to a rate not to exceed two dollars and fortyseven and one-half cents per thousand dollars of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed four dollars and five cents per thousand dollars of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.
- (2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, may not exceed five dollars and ninety cents per thousand dollars of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection do not apply to: (a) Levies at the rates provided by existing law by or for any port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing for very low-income housing imposed under RCW 84.52.105; (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies for criminal justice purposes under RCW 84.52.135; (i) the portions of levies by fire protection districts that are protected under RCW 84.52.125; (j) levies by counties for transit-related purposes under RCW 84.52.140; ((and)) (k) the portion of the levy by flood control zone districts that are protected under RCW 84.52.-- (section 3, chapter 170, Laws of 2015); and (1) levies imposed by a regional transit authority under section 321 of this act.
- **Sec. 324.** RCW 84.52.010 and 2011 1st sp.s. c 28 s 2 are each amended to read as follows:
- (1) Except as is permitted under RCW 84.55.050, all taxes must be levied or voted in specific amounts.
- (2) The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, must be determined, calculated

and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

- (3) When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor must recompute and establish a consolidated levy in the following manner:
- (a) The full certified rates of tax levy for state, county, county road district, regional transit authority, and city or town purposes must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy takes precedence over all other levies and may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, 84.52.140, and the protected portion of the levy under RCW 86.15.160 by flood control zone districts in a county with a population of seven hundred seventy-five thousand or more that are coextensive with a county, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies must be reduced as follows:
- (i) The portion of the levy by a metropolitan park district that has a population of less than one hundred fifty thousand and is located in a county with a population of one million five hundred thousand or more that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (ii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the protected portion of the levy imposed under RCW 86.15.160 by a flood control zone district in a county with a population of seven hundred seventy-five thousand or more that is coextensive with a county must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.140 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (iv) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district that is protected under RCW 84.52.125 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated:

- (v) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (vi) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (vii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district with a population of one hundred fifty thousand or more that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (viii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, and any portion of the levy imposed under RCW 84.52.069 that is in excess of thirty cents per thousand dollars of assessed value, must be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated; and
- (ix) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated.
- (b) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property must be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:
- (i) First, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or eliminated;
- (ii) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts other than the portion of a levy protected under RCW 84.52.815 must be reduced on a pro rata basis or eliminated:
- (iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, must be reduced on a pro rata basis or eliminated;
- (iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the first fifty cent per thousand dollars of assessed valuation levies for

metropolitan park districts created on or after January 1, 2002, must be reduced on a pro rata basis or eliminated;

- (v) Fifth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional fire protection service authorities under RCW 52.26.140(1) (b) and (c) must be reduced on a pro rata basis or eliminated; and
- (vi) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, must be reduced on a pro rata basis or eliminated.
- **Sec. 325.** RCW 84.52.010 and 2015 c 170 s 2 are each amended to read as follows:
- (1) Except as is permitted under RCW 84.55.050, all taxes must be levied or voted in specific amounts.
- (2) The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.
- (3) When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor must recompute and establish a consolidated levy in the following manner:
- (a) The full certified rates of tax levy for state, county, county road district, regional transit authority, and city or town purposes must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy takes precedence over all other levies and may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, and 84.52.140, and the portion of the levy by a flood control zone district that was protected under RCW 84.52.--- (section 3, chapter 170, Laws of 2015), the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies must be reduced as follows:
- (i) The portion of the levy by a flood control zone district that was protected under RCW 84.52.--- (section 3, chapter 170, Laws of 2015) must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

- (ii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.140 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district that is protected under RCW 84.52.125 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated:
- (iv) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (v) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;
- (vi) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated:
- (vii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, and any portion of the levy imposed under RCW 84.52.069 that is in excess of thirty cents per thousand dollars of assessed value, must be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated; and
- (viii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or eliminated.
- (b) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property must be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:
- (i) First, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or eliminated;
- (ii) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts other than the

portion of a levy protected under RCW 84.52.--- (section 3, chapter 170, Laws of 2015) must be reduced on a pro rata basis or eliminated;

- (iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, must be reduced on a pro rata basis or eliminated;
- (iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, must be reduced on a pro rata basis or eliminated;
- (v) Fifth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional fire protection service authorities under RCW 52.26.140(1) (b) and (c) must be reduced on a pro rata basis or eliminated; and
- (vi) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, must be reduced on a pro rata basis or eliminated
- **Sec. 326.** RCW 84.04.120 and 1999 c 153 s 69 are each amended to read as follows:

"Taxing district" ((shall be held and construed to mean and include)) means the state and any county, city, town, port district, school district, road district, metropolitan park district, regional transit authority, water-sewer district, or other municipal corporation, now or hereafter existing, having the power or authorized by law to impose burdens upon property within the district in proportion to the value thereof, for the purpose of obtaining revenue for public purposes, as distinguished from municipal corporations authorized to impose burdens, or for which burdens may be imposed, for such purposes, upon property in proportion to the benefits accruing thereto.

Sec. 327. RCW 81.104.180 and 2009 c 280 s 6 are each amended to read as follows:

Cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, public transportation benefit areas, high capacity transportation corridor areas, and regional transit authorities are authorized to pledge revenues from the employer tax authorized by RCW 81.104.150, the taxes authorized by RCW 81.104.160, ((and)) the sales and use tax authorized by RCW 81.104.170, and the property tax authorized by section 321 of this act, to retire bonds issued solely for the purpose of providing high capacity transportation service.

Sec. 328. RCW 81.112.050 and 2010 c 19 s 3 are each amended to read as follows:

- (1) At the time of formation, the area to be included within the boundary of the authority shall be that area set forth in the system plan adopted by the joint regional policy committee. Prior to submitting the system and financing plan to the voters, the authority may make adjustments to the boundaries as deemed appropriate but must assure that, to the extent possible, the boundaries: (a) Include the largest-population urban growth area designated by each county under chapter 36.70A RCW; and (b) follow election precinct boundaries. If a portion of any city is determined to be within the service area, the entire city must be included within the boundaries of the authority. Subsequent to formation, when territory is annexed to a city located within the boundaries of the authority, the territory is simultaneously included within the boundaries of the authority and subject to all taxes and other liabilities and obligations applicable within the city with respect to the authority as provided in RCW 35.13.500 and 35A.14.475, subject to RCW 84.09.030 and 82.14.055, and notwithstanding any other provision of law.
- (2) After voters within the authority boundaries have approved the system and financing plan, elections to add areas contiguous to the authority boundaries may be called by resolution of the regional transit authority, after consultation with affected transit agencies and with the concurrence of the legislative authority of the city or town if the area is incorporated, or with the concurrence of the county legislative authority if the area is unincorporated. Only those areas that would benefit from the services provided by the authority may be included and services or projects proposed for the area must be consistent with the regional transportation plan. The election may include a single ballot proposition providing for annexation to the authority boundaries and imposition of the taxes at rates already imposed within the authority boundaries, subject to RCW 84.09.030 and 82.14.055.
- (((3) Upon receipt of a resolution requesting exclusion from the boundaries of the authority from a city whose municipal boundaries cross the boundaries of an authority and thereby result in only a portion of the city being subject to local option taxes imposed by the authority under chapters \$1.104 and \$1.112 RCW in order to implement a high capacity transit plan, and where the vote to approve the city's incorporation occurred simultaneously with an election approving the local option taxes, then upon a two-thirds majority vote of the governing board of the authority, the governing board shall redraw the boundaries of the authority to exclude that portion of the city that is located within the authority's boundaries, and the excluded area is no longer subject to local option taxes imposed by the authority. This subsection expires December 31, 1998.))

<u>NEW SECTION.</u> **Sec. 329.** A new section is added to chapter 81.104 RCW to read as follows:

(1) A regional transit authority that includes a county with a population of more than one million five hundred thousand must develop and seek voter approval for a system plan, which meets the requirements of any transportation subarea equity element used by the authority, to implement a regional equitable transit-oriented development strategy for diverse, vibrant, mixed-use and mixed-income communities consistent with transit-oriented development plans developed with community input by any regional transportation planning

organization within the regional transit authority boundaries. This system plan, which must be part of any authorizing proposition submitted to the voters after the effective date of this section, must include the following:

- (a) The regional transit authority must contribute at least four million dollars each year for five consecutive years beginning within three years of voter approval of the system plan to a revolving loan fund to support the development of affordable housing opportunities related to equitable transit-oriented development within the boundaries of the regional transit authority.
- (b)(i) A requirement that when a regional transit authority disposes or transfers any surplus property, including, but not limited to, property acquired prior to the effective date of this section, a minimum of eighty percent of the surplus property to be disposed or transferred, including air rights, that is suitable for development as housing, must be offered for either transfer at no cost, sale, or long-term lease first to qualified entities that agree to develop affordable housing on the property, consistent with local land use and zoning laws.
- (ii)(A) If a qualified entity receives surplus property from a regional transit authority after being offered the property as provided in (b)(i) of this subsection, the authority must require a minimum of eighty percent of the housing units constructed on property obtained under (b)(i) of this subsection to be dedicated to affordable housing.
- (B) If a qualified entity sells property or development rights obtained through (b)(i) of this subsection, it must use the proceeds from the sale to construct affordable housing within one-half mile of a light rail station or transit station.
- (c) A requirement that the regional transit authority must work in good faith to implement all requirements of this section, but is not required to comply with a requirement imposed by (b)(i) or (ii) of this subsection if the requirement is in conflict, as determined by the relevant federal agency, with provisions of the applicable federal transit administration master grant agreement, federal transit administration full funding grant agreement with the regional transit authority, or the equivalent federal railroad administration agreement necessary to establish or maintain eligibility for a federal grant program.
- (d) A requirement that (b) of this subsection does not apply to property to be transferred to governments or third parties in order to facilitate permitting, construction, or mitigation of high-capacity transportation facilities and services.
 - (2) For the purposes of this section:
- (a) "Affordable housing" means long-term housing for persons, families, or unrelated persons living together whose adjusted income is at or below eighty percent of the median income, adjusted for household size, for the county where the housing is located.
- (b) "Qualified entity" means a local government, housing authority, and nonprofit developer.
- (3) A regional transit authority implementing subsection (1)(b) of this section must, at the end of each fiscal quarter, send a report to the appropriate committees of the legislature and post a report on its web site detailing the following activities:
- (a) Any transfers of property that have occurred in the previous fiscal quarter pursuant to subsection (1)(b) of this section; and

- (b) Any progress in implementing any regional equitable transit-oriented development strategy for diverse, vibrant, mixed-use and mixed-income communities approved by the voters pursuant to this section.
- **Sec. 330.** RCW 81.112.210 and 2014 c 153 s 1 are each amended to read as follows:
- (1) An authority is authorized to establish, by resolution, a schedule of fines and penalties for civil infractions established in RCW 81.112.220. Fines established by an authority shall not exceed those imposed for class 1 infractions under RCW 7.80.120.
- (2)(a) An authority may designate persons to monitor fare payment who are equivalent to and are authorized to exercise all the powers of an enforcement officer, defined in RCW 7.80.040. An authority is authorized to employ personnel to either monitor fare payment, or to contract for such services, or both.
- (b) In addition to the specific powers granted to enforcement officers under RCW 7.80.050 and 7.80.060, persons designated to monitor fare payment also have the authority to take the following actions:
 - (i) Request proof of payment from passengers;
- (ii) Request personal identification from a passenger who does not produce proof of payment when requested;
- (iii)(A) Issue a notice of infraction ((to passengers who do not produce proof of payment when requested)) for a civil infraction established in RCW 81.112.220.
- (B) The notice of infraction form to be used for violations under this subsection must be approved by the administrative office of the courts and must not include vehicle information; and
- (iv) Request that a passenger leave the authority facility when the passenger has not produced proof of payment after being asked to do so by a person designated to monitor fare payment.
- (3) Authorities shall keep records of citations in the manner prescribed by RCW 7.80.150. All civil infractions established by chapter 20, Laws of 1999 shall be heard and determined by a district or municipal court as provided in RCW 7.80.010 (1), (2), and (4).

Transfers to Cities and Counties

<u>NEW SECTION.</u> **Sec. 331.** A new section is added to chapter 46.68 RCW to read as follows:

- (1) The state treasurer shall make four equal distributions by the last day of September, December, March, and June of each fiscal year to cities and counties based on the following allocations:
- (a) For fiscal years 2016 and 2017, five million four hundred sixty-nine thousand dollars from the motor vehicle fund created under RCW 46.68.070 and six million two hundred fifty thousand dollars from the multimodal transportation account created under RCW 47.66.070.
- (b) For fiscal year 2018 and thereafter, eleven million seven hundred nineteen thousand dollars from the motor vehicle fund created under RCW 46.68.070 and thirteen million three hundred ninety-three thousand dollars from the multimodal transportation account created under RCW 47.66.070.

(2) The amounts provided in subsection (1)(a) and (b) of this section must be proportioned evenly between cities and counties. Funds credited to cities must be distributed under RCW 46.68.110(4). Funds credited to counties must be allocated under RCW 46.68.120(4).

PART IV MISCELLANEOUS Complete Streets Grant Program

Sec. 401. RCW 47.04.320 and 2011 c 257 s 2 are each amended to read as follows:

- (1) The ((department)) transportation improvement board shall establish a complete streets grant program within the department's highways and local programs division, or its successor. During program development, the ((department)) board shall include, at a minimum, the department of archaeology and historic preservation, local governments, and other organizations or groups that are interested in the complete streets grant program. The purpose of the grant program is to encourage local governments to adopt urban arterial retrofit street ordinances designed to provide safe access to all users, including bicyclists, pedestrians, motorists, and public transportation users, with the goals of:
- (a) Promoting healthy communities by encouraging walking, bicycling, and using public transportation;
- (b) Improving safety by designing major arterials to include features such as wider sidewalks, dedicated bicycle facilities, medians, and pedestrian streetscape features, including trees where appropriate;
- (c) Protecting the environment and reducing congestion by providing safe alternatives to single-occupancy driving; and
- (d) Preserving community character by involving local citizens and stakeholders to participate in planning and design decisions.
 - (2) For purposes of this section:
- (a) "Eligible project" means (i) a local government street <u>or road</u> retrofit project that includes the addition of, or significant repair to, facilities that provide street access with all users in mind, including pedestrians, bicyclists, and public transportation users; or (ii) a retrofit project on city streets <u>or county roads</u> that are part of a state highway that include the addition of, or significant repair to, facilities that provide ((street)) access with all users in mind, including pedestrians, bicyclists, and public transportation users.
- (b) "Local government" means incorporated cities and towns <u>and counties</u> that have adopted a jurisdiction-wide complete streets ordinance that plans for the needs of all users and is consistent with sound engineering principles.
- (c) "Sound engineering principles" means peer-reviewed, context sensitive solutions guides, reports, and publications, consistent with the purposes of this section.
- (3) In carrying out the purposes of this section, the ((department)) transportation improvement board may award funding, subject to the availability of amounts appropriated for this specific purpose, only to eligible projects that are designed consistent with sound engineering principles.

- (4) The ((department)) transportation improvement board must report annually to the transportation committees of the legislature on the status of any grant projects funded by the program created under this section.
- **Sec. 402.** RCW 47.04.325 and 2011 c 257 s 3 are each amended to read as follows:
- (1) The complete streets grant program account is created in the state treasury. Moneys in the account may be spent only after appropriation. Only the ((department)) transportation improvement board may authorize expenditures from the account. The ((department)) board may use complete streets grant program funds for city streets, county roads, and city streets and county roads that are part of a state highway. Expenditures from the account may be used solely for the grants provided under RCW 47.04.320.
- (2) The ((department)) transportation improvement board may solicit and receive gifts, grants, or endowments from private and other sources that are made, in trust or otherwise, for the use and benefit of the purposes of the complete streets grant program as provided in RCW 47.04.320.

Electric Vehicle Infrastructure Bank

<u>NEW SECTION.</u> **Sec. 403.** A new section is added to chapter 47.04 RCW to read as follows:

- (1) The department's public-private partnership office must develop a pilot program to support the deployment of electric vehicle charging infrastructure that is supported by private financing.
- (2) The department must define corridors in which bidders may propose to install electric vehicle charging infrastructure. Alternatively, a bidder may propose a corridor in which the bidder proposes to install electric vehicle infrastructure if the department has adopted rules allowing such a proposal and establishing guidelines for how such a proposal will be considered.
- (3)(a) For bid proposals under this section, the department must require the following:
- (i) Bidders must have private sector partners contributing to the project who stand to gain indirect value from development of the project, such as motor vehicle manufacturers, retail stores, or tourism stakeholders;
- (ii) Bidders must demonstrate that the proposed project will be valuable to electric vehicle drivers and will address an existing gap in the state's electric vehicle charging station infrastructure;
- (iii) Projects must be expected to be profitable and sustainable for the owner-operator and the private partner; and
- (iv) Bidders must specify how the project captures the indirect value of charging station deployment to the private partner.
- (b) The department may adopt rules that require any other criteria for a successful project.
- (4) In evaluating proposals under this section, the department may use the electric vehicle financial analysis tool that was developed in the joint transportation committee's study into financing electric vehicle charging station infrastructure.
- (5)(a) After selecting a successful proposer under this section, the department may provide a loan or grant to the proposer.

- (b) Grants and loans issued under this subsection must be funded from the electric vehicle charging infrastructure account created in section 404 of this act.
- (c) Any project selected for support under this section is eligible for only one grant or loan as a part of the pilot program.
- (6) The department may conduct preliminary workshops with potential bidders and other potential private sector partners to determine the best method of designing the pilot program, discuss how to develop the partnerships among the private sector partners that may receive indirect value, and any other issues relating to the implementation of this section. The department should consider regional workshops to engage potential business partners from across the state.
 - (7) The department must adopt rules to implement this section.

<u>NEW SECTION.</u> **Sec. 404.** A new section is added to chapter 82.44 RCW to read as follows:

The electric vehicle charging infrastructure account is created in the transportation infrastructure account. Proceeds from the principal and interest payments made on loans from the account must be deposited into the account. Expenditures from the account may be used only for the purposes specified in section 403 of this act. Moneys in the account may be spent only after appropriation.

Tacoma Narrows Bridge Sales Tax Deferral

Sec. 405. RCW 47.46.060 and 2012 c 77 s 1 are each amended to read as follows:

- (1) Any person, including the department of transportation and any private entity or entities, may apply for deferral of taxes on the site preparation for, the construction of, the acquisition of any related machinery and equipment that becomes a part of, and the rental of equipment for use in the state route number 16 corridor improvements project under this chapter. Application must be made to the department of revenue in a form and manner prescribed by the department of revenue. The application must contain information regarding estimated or actual costs, time schedules for completion and operation, and other information required by the department of revenue. The department of revenue must approve the application within sixty days if it meets the requirements of this section.
- (2) The department of revenue must issue a sales and use tax deferral certificate for state and local sales and use taxes due under chapters 82.08, 82.12, and 82.14 RCW on the project.
- (3) The department of transportation or a private entity granted a tax deferral under this section must begin paying the deferred taxes in the ((eleventh)) twenty-fourth year after the date certified by the department of revenue as the date on which the project is operationally complete. The first payment is due on December 31st of the ((eleventh)) twenty-fourth calendar year after such certified date, with subsequent annual payments due on December 31st of the following nine years. Each payment must equal ten percent of the deferred tax. The project is operationally complete under this section when the collection of tolls is commenced for the state route number 16 improvements covered by the deferral.
- (4) The department of revenue may authorize an accelerated repayment schedule upon request of the department of transportation or a private entity granted a deferral under this section.

- (5) Interest may not be charged on any taxes deferred under this section for the period of deferral, although all other penalties and interest applicable to delinquent excise taxes may be assessed and imposed for delinquent payments under this section. The debt for deferred taxes is not extinguished by insolvency or other failure of the private entity. Transfer of ownership does not terminate the deferral.
- (6) Applications and any other information received by the department of revenue under this section are not confidential and are subject to disclosure. Chapter 82.32 RCW applies to the administration of this section.

Traffic Safety Cameras

- **Sec. 406.** RCW 46.63.170 and 2015 1st sp.s. c 10 s 702 are each amended to read as follows:
- (1) The use of automated traffic safety cameras for issuance of notices of infraction is subject to the following requirements:
- (a) The appropriate local legislative authority must prepare an analysis of the locations within the jurisdiction where automated traffic safety cameras are proposed to be located: (i) Before enacting an ordinance allowing for the initial use of automated traffic safety cameras; and (ii) before adding additional cameras or relocating any existing camera to a new location within the jurisdiction. Automated traffic safety cameras may be used to detect one or more of the following: Stoplight, railroad crossing, or school speed zone violations; or speed violations subject to (c) of this subsection. At a minimum, the local ordinance must contain the restrictions described in this section and provisions for public notice and signage. Cities and counties using automated traffic safety cameras before July 24, 2005, are subject to the restrictions described in this section, but are not required to enact an authorizing ordinance. Beginning one year after June 7, 2012, cities and counties using automated traffic safety cameras must post an annual report of the number of traffic accidents that occurred at each location where an automated traffic safety camera is located as well as the number of notices of infraction issued for each camera and any other relevant information about the automated traffic safety cameras that the city or county deems appropriate on the city's or county's web site.
- (b) Except as provided in (c) of this subsection, use of automated traffic safety cameras is restricted to the following locations only: (i) Intersections of two arterials with traffic control signals that have yellow change interval durations in accordance with RCW 47.36.022, which interval durations may not be reduced after placement of the camera; (ii) railroad crossings; and (iii) school speed zones.
- (c) ((During the 2013-2015 and 2015-2017 fiscal biennia, automated traffic safety cameras may be used to detect speed violations for the purposes of section 201(4), chapter 306, Laws of 2013 and section 201(1), chapter 10, Laws of 2015 1st sp. sess. if the local legislative authority first enacts an ordinance authorizing the use of cameras to detect speed violations.)) Any city west of the Cascade mountains with a population of more than one hundred ninety-five thousand located in a county with a population of fewer than one million five hundred thousand may operate an automated traffic safety camera to detect speed violations subject to the following limitations:
- (i) A city may only operate one such automated traffic safety camera within its respective jurisdiction; and

- (ii) The use and location of the automated traffic safety camera must have first been authorized by the Washington state legislature as a pilot project for at least one full year.
- (d) Automated traffic safety cameras may only take pictures of the vehicle and vehicle license plate and only while an infraction is occurring. The picture must not reveal the face of the driver or of passengers in the vehicle. The primary purpose of camera placement is to take pictures of the vehicle and vehicle license plate when an infraction is occurring. Cities and counties shall consider installing cameras in a manner that minimizes the impact of camera flash on drivers
- (e) A notice of infraction must be mailed to the registered owner of the vehicle within fourteen days of the violation, or to the renter of a vehicle within fourteen days of establishing the renter's name and address under subsection (3)(a) of this section. The law enforcement officer issuing the notice of infraction shall include with it a certificate or facsimile thereof, based upon inspection of photographs, microphotographs, or electronic images produced by an automated traffic safety camera, stating the facts supporting the notice of infraction. This certificate or facsimile is prima facie evidence of the facts contained in it and is admissible in a proceeding charging a violation under this chapter. The photographs, microphotographs, or electronic images evidencing the violation must be available for inspection and admission into evidence in a proceeding to adjudicate the liability for the infraction. A person receiving a notice of infraction based on evidence detected by an automated traffic safety camera may respond to the notice by mail.
- (f) The registered owner of a vehicle is responsible for an infraction under RCW 46.63.030(1)(d) unless the registered owner overcomes the presumption in RCW 46.63.075, or, in the case of a rental car business, satisfies the conditions under subsection (3) of this section. If appropriate under the circumstances, a renter identified under subsection (3)(a) of this section is responsible for an infraction
- (g) Notwithstanding any other provision of law, all photographs, microphotographs, or electronic images prepared under this section are for the exclusive use of law enforcement in the discharge of duties under this section and are not open to the public and may not be used in a court in a pending action or proceeding unless the action or proceeding relates to a violation under this section. No photograph, microphotograph, or electronic image may be used for any purpose other than enforcement of violations under this section nor retained longer than necessary to enforce this section.
- (h) All locations where an automated traffic safety camera is used must be clearly marked at least thirty days prior to activation of the camera by placing signs in locations that clearly indicate to a driver that he or she is entering a zone where traffic laws are enforced by an automated traffic safety camera. Signs placed in automated traffic safety camera locations after June 7, 2012, must follow the specifications and guidelines under the manual of uniform traffic control devices for streets and highways as adopted by the department of transportation under chapter 47.36 RCW.
- (i) If a county or city has established an authorized automated traffic safety camera program under this section, the compensation paid to the manufacturer or vendor of the equipment used must be based only upon the value of the

equipment and services provided or rendered in support of the system, and may not be based upon a portion of the fine or civil penalty imposed or the revenue generated by the equipment.

- (2) Infractions detected through the use of automated traffic safety cameras are not part of the registered owner's driving record under RCW 46.52.101 and 46.52.120. Additionally, infractions generated by the use of automated traffic safety cameras under this section shall be processed in the same manner as parking infractions, including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120, and 46.20.270(2). The amount of the fine issued for an infraction generated through the use of an automated traffic safety camera shall not exceed the amount of a fine issued for other parking infractions within the jurisdiction. However, the amount of the fine issued for a traffic control signal violation detected through the use of an automated traffic safety camera shall not exceed the monetary penalty for a violation of RCW 46.61.050 as provided under RCW 46.63.110, including all applicable statutory assessments.
- (3) If the registered owner of the vehicle is a rental car business, the law enforcement agency shall, before a notice of infraction being issued under this section, provide a written notice to the rental car business that a notice of infraction may be issued to the rental car business if the rental car business does not, within eighteen days of receiving the written notice, provide to the issuing agency by return mail:
- (a) A statement under oath stating the name and known mailing address of the individual driving or renting the vehicle when the infraction occurred; or
- (b) A statement under oath that the business is unable to determine who was driving or renting the vehicle at the time the infraction occurred because the vehicle was stolen at the time of the infraction. A statement provided under this subsection must be accompanied by a copy of a filed police report regarding the vehicle theft; or
- (c) In lieu of identifying the vehicle operator, the rental car business may pay the applicable penalty.

Timely mailing of this statement to the issuing law enforcement agency relieves a rental car business of any liability under this chapter for the notice of infraction.

- (4) Nothing in this section prohibits a law enforcement officer from issuing a notice of traffic infraction to a person in control of a vehicle at the time a violation occurs under RCW 46.63.030(1) (a), (b), or (c).
- (5) For the purposes of this section, "automated traffic safety camera" means a device that uses a vehicle sensor installed to work in conjunction with an intersection traffic control system, a railroad grade crossing control system, or a speed measuring device, and a camera synchronized to automatically record one or more sequenced photographs, microphotographs, or electronic images of the rear of a motor vehicle at the time the vehicle fails to stop when facing a steady red traffic control signal or an activated railroad grade crossing control signal, or exceeds a speed limit ((in a school speed zone)) as detected by a speed measuring device. ((During the 2013-2015 and 2015-2017 fiscal biennia, an automated traffic safety camera includes a camera used to detect speed violations for the purposes of section 201(4), chapter 306, Laws of 2013 and section 201(1), chapter 10, Laws of 2015 1st sp. sess.))

(6) During the 2011-2013 and 2013-2015 fiscal biennia, this section does not apply to automated traffic safety cameras for the purposes of section 216(5), chapter 367, Laws of 2011 and section 216(6), chapter 306, Laws of 2013.

Alternative Fuel Sales and Use Tax Exemptions

<u>NEW SECTION.</u> **Sec. 407.** This section is the tax preference performance statement for the tax preferences contained in sections 408 and 409 of this act. The performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

- (1) The legislature categorizes the tax preference as one intended to induce certain designated behavior by taxpayers, as indicated in RCW 82.32.808(2)(a).
- (2) It is the legislature's specific public policy objective to increase the use of clean alternative fuel vehicles in Washington. It is the legislature's intent to extend the existing sales and use tax exemption on certain clean alternative fuel vehicles in order to reduce the price charged to customers for clean alternative fuel vehicles.
- (3) To measure the effectiveness of the tax preferences in sections 408 and 409 of this act in achieving the public policy objectives described in subsection (2) of this section, the joint legislative audit and review committee must evaluate the number of clean alternative fuel vehicles registered in the state.
- (4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the department of licensing must provide data needed for the joint legislative audit and review committee analysis. In addition to the data source described under this subsection, the joint legislative audit and review committee may use any other data it deems necessary.
- **Sec. 408.** RCW 82.08.809 and 2010 1st sp.s. c 11 s 2 are each amended to read as follows:
- (1)(((a))) Except as provided in subsection (4) of this section, the tax levied by RCW 82.08.020 does not apply to sales of new passenger cars, light duty trucks, and medium duty passenger vehicles, which (a) are exclusively powered by a clean alternative fuel or (b) use at least one method of propulsion that is capable of being reenergized by an external source of electricity and are capable of traveling at least thirty miles using only battery power.
- (((b) The tax levied by RCW 82.08.020 does not apply to sales of qualifying used passenger ears, light duty trucks, and medium duty passenger vehicles, which were modified after their initial purchase, with an EPA certified conversion to be exclusively powered by a clean alternative fuel. "Qualifying used passenger ears, light duty trucks, and medium duty passenger vehicles" means vehicles that:
 - (i) Are part of a fleet of at least five vehicles, all owned by the same person;
 - (ii) Have an odometer reading of less than thirty thousand miles;
 - (iii) Are less than two years past their original date of manufacture; and
 - (iv) Are being sold for the first time after modification.))
- (2) The seller must keep records necessary for the department to verify eligibility under this section.
- (3) As used in this section, "clean alternative fuel" means natural gas, propane, hydrogen, or electricity, when used as a fuel in a motor vehicle that meets the California motor vehicle emission standards in Title 13 of the

California code of regulations, effective January 1, 2005, and the rules of the Washington state department of ecology.

- (4)(a) A sale, other than a lease, is not exempt from sales tax as described under subsection (1) of this section if the selling price of the vehicle plus trade-in property of like kind exceeds thirty-five thousand dollars.
- (b) For leased vehicles for which the lease agreement is signed on or after the effective date of this section, lease payments are not exempt from sales tax as described under subsection (1) of this section if the fair market value of the vehicle being leased exceeds thirty-five thousand dollars at the inception of the lease. For the purposes of this subsection (4)(b), "fair market value" has the same meaning as "value of the article used" in RCW 82.12.010.
- (c) For leased vehicles for which the lease agreement was signed before the effective date of this section, lease payments are exempt from sales tax as described under subsection (1) of this section regardless of the vehicle's fair market value at the inception of the lease.
- (5) On the last day of January, April, July, and October of each year, the state treasurer, based upon information provided by the department, must transfer from the multimodal transportation account to the general fund a sum equal to the dollar amount that would otherwise have been deposited into the general fund during the prior calendar quarter but for the exemption provided in this section. Information provided by the department to the state treasurer must be based on the best available data, except that the department may provide estimates of taxes exempted under this section until such time as retailers are able to report such exempted amounts on their tax returns. For purposes of this section, the first transfer for the calendar quarter after the effective date of this section must be calculated assuming only those revenues that should have been deposited into the general fund beginning July 1, 2015.
- (6) Lease payments due on or after July 1, 2019, are subject to the taxes imposed under this chapter.
 - (7) This section expires July 1, ((2015)) 2019.
- **Sec. 409.** RCW 82.12.809 and 2010 1st sp.s. c 11 s 3 are each amended to read as follows:
- (1)(((a))) Except as provided in subsection (4) of this section, until July 1, ((2015)) 2019, the provisions of this chapter do not apply in respect to the use of new passenger cars, light duty trucks, and medium duty passenger vehicles, which (a) are exclusively powered by a clean alternative fuel or (b) use at least one method of propulsion that is capable of being reenergized by an external source of electricity and are capable of traveling at least thirty miles using only battery power.
- (((b) Until July 1, 2015, the provisions of this chapter do not apply to the use of qualifying used passenger cars, light duty trucks, and medium duty passenger vehicles, which were modified after their initial purchase with an EPA certified conversion to be exclusively powered by a clean alternative fuel. As used in this subsection, "qualifying used passenger cars, light duty trucks, and medium duty passenger vehicles" has the same meaning as provided in RCW 82.08.809.))
- (2) (("Clean alternative fuel" has the same meaning as provided in RCW 82.08.809.)) The definitions in RCW 82.08.809 apply to this section.
- (3) A taxpayer is not liable for the tax imposed in RCW 82.12.020 on the use, on or after July 1, ((2015)) 2019, of a passenger car, light duty truck, or

medium duty passenger vehicle <u>that is</u> exclusively powered by a clean alternative fuel <u>or uses at least one method of propulsion that is capable of being reenergized by an external source of electricity and is capable of traveling at <u>least thirty miles using only battery power</u>, if the taxpayer used such vehicle in this state before July 1, ((2015)) <u>2019</u>, and the use was exempt under this section from the tax imposed in RCW 82.12.020.</u>

- (4)(a) For vehicles purchased on or after the effective date of this section or for leased vehicles for which the lease agreement was signed on or after the effective date of this section, a vehicle is not exempt from use tax as described under subsection (1) of this section if the fair market value of the vehicle exceeds thirty-five thousand dollars at the time the tax is imposed for purchased vehicles, or at the inception of the lease for leased vehicles.
- (b) For leased vehicles for which the lease agreement was signed before the effective date of this section, lease payments are exempt from use tax as described under subsection (1) of this section regardless of the vehicle's fair market value at the inception of the lease.
- (5) On the last day of January, April, July, and October of each year, the state treasurer, based upon information provided by the department, must transfer from the multimodal transportation account to the general fund a sum equal to the dollar amount that would otherwise have been deposited into the general fund during the prior calendar quarter but for the exemption provided in this section. Information provided by the department to the state treasurer must be based on the best available data. For purposes of this section, the first transfer for the calendar quarter after the effective date of this section must be calculated assuming only those revenues that should have been deposited into the general fund beginning July 1, 2015.
- (6) Lease payments due on or after July 1, 2019, are subject to the taxes imposed under this chapter.

Alternative Fuel Commercial Vehicle Tax Credits

<u>NEW SECTION.</u> **Sec. 410.** (1) This section and sections 411 and 412 of this act may be known and cited as the clean fuel vehicle incentives act.

- (2) The legislature finds that cleaner fuels reduce greenhouse gas emissions in the transportation sector and lead to a more sustainable environment. The legislature further finds that alternative fuel vehicles cost more than comparable models of conventional fuel vehicles, particularly in the commercial market. The legislature further finds the higher cost of alternative fuel vehicles incentivize companies to purchase comparable models of conventional fuel vehicles. The legislature further finds that other states provide various tax credits and exemptions. The legislature further finds incentivizing businesses to purchase cleaner, alternative fuel vehicles is a collaborative step toward meeting the state's climate and environmental goals.
- (3)(a) This subsection is the tax preference performance statement for the clean alternative fuel vehicle tax credits provided in sections 411 and 412 of this act. The performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.
- (b) The legislature categorizes the tax preference as one intended to induce certain designated behavior by taxpayers.

- (c) It is the legislature's specific public policy objective to provide a credit against business and occupation and public utility taxes to increase sales of commercial vehicles that use clean alternative fuel to ten percent of commercial vehicle sales by 2021.
- (d) To measure the effectiveness of the credit provided in this act in achieving the specific public policy objective described in (c) of this subsection, the joint legislative audit and review committee must, at minimum, evaluate the changes in the number of commercial vehicles that are powered by clean alternative fuel that are registered in Washington state.
- (e)(i) The department of licensing must provide data needed for the joint legislative audit and review committee's analysis in (d) of this subsection.
- (ii) In addition to the data source described under (e)(i) of this subsection, the joint legislative audit and review committee may use any other data it deems necessary in performing the evaluation under (d) of this subsection.

<u>NEW SECTION.</u> **Sec. 411.** A new section is added to chapter 82.04 RCW to read as follows:

(1)(a) A person who is taxable under this chapter is allowed a credit against the tax imposed in this chapter according to the gross vehicle weight rating of the vehicle and the incremental cost of the vehicle purchased above the purchase price of a comparable conventionally fueled vehicle. The credit is limited, as set forth in the table below, to the lesser of the incremental cost amount or the maximum credit amount per vehicle purchased, and subject to a maximum annual credit amount per vehicle class.

Gross Vehicle Weight	Incremental Cost Amount	Maximum Credit Amount Per Vehicle	Maximum Annual Credit Per Vehicle Class
Up to 14,000 pounds	50% of incremental cost	\$5,000	\$2,000,000
14,001 to 26,500 pounds	50% of incremental cost	\$10,000	\$2,000,000
Above 26,500 pounds	50% of incremental cost	\$20,000	\$2,000,000

- (b) On September 1st of each year any unused credits from any weight class identified in the table in (a) of this subsection must be made available to applicants applying for credits under any other weight class listed.
- (c) The credit provided in this subsection (1) is not available for the lease of a vehicle.
- (2) A person who is taxable under this chapter is allowed, subject to the maximum annual credit per vehicle class in subsection (1)(a) of this section, a credit against the tax imposed in this chapter for the lesser of twenty-five thousand dollars or thirty percent of the costs of converting a commercial vehicle to be principally powered by a clean alternative fuel with a United States environmental protection agency certified conversion.

- (3) The total credits under this section may not exceed the lesser of two hundred fifty thousand dollars or twenty-five vehicles per person per calendar year.
- (4) A person may not receive credit under this section for amounts claimed as credits under chapter 82.16 RCW.
- (5) Credits are available on a first-in-time basis. The department must disallow any credits, or portion thereof, that would cause the total amount of credits claimed under this section, and section 412 of this act, during any calendar year to exceed six million dollars. The department must provide notification on its web site monthly on the amount of credits that have been applied for, the amount issued, and the amount remaining before the statewide annual limit is reached. In addition, the department must provide written notice to any person who has applied to claim tax credits in excess of the limitation in this subsection.
- (6) For the purposes of the limits provided in this section, a credit must be counted against such limits for the calendar year in which the credit is earned.
- (7) To claim a credit under this section a person must electronically file with the department all returns, forms, and any other information required by the department, in an electronic format as provided or approved by the department. No refunds may be granted for credits under this section.
 - (8) To claim a credit under this section, the person applying must:
 - (a) Complete an application for the credit which must include:
- (i) The name, business address, and tax identification number of the applicant;
- (ii) A quote or unexecuted copy of the purchase requisition or order for the vehicle:
 - (iii) The type of alternative fuel to be used by the vehicle;
 - (iv) The incremental cost of the alternative fuel system;
 - (v) The anticipated delivery date of the vehicle;
 - (vi) The estimated annual fuel use of the vehicle in its anticipated duties;
 - (vii) The gross weight of the vehicle; and
- (viii) Any other information deemed necessary by the department to support administration or reporting of the program.
- (b) Within fifteen days of notice of credit availability from the department, provide notice of intent to claim the credit including:
- (i) A copy of the order for the vehicle, including the total cost for the vehicle;
- (ii) The anticipated delivery date of the vehicle, which must be within one hundred twenty days of acceptance of the credit; and
- (iii) Any other information deemed necessary by the department to support administration or reporting of the program.
- (c) Provide final documentation within fifteen days of receipt of the vehicle, including:
 - (i) A copy of the final invoice for the vehicle;
 - (ii) A copy of the factory build sheet or equivalent documentation;
 - (iii) The vehicle identification number of the vehicle;
 - (iv) The incremental cost of the alternative fuel system;
- (v) Attestations signed by both the seller and purchaser of the vehicle attesting that the incremental cost of the alternative fuel system includes only the

costs necessary for the vehicle to run on alternative fuel and no other vehicle options, equipment, or costs; and

- (vi) Any other information deemed necessary by the department to support administration or reporting of the program.
 - (9) To administer the credits, the department must, at a minimum:
- (a) Provide notification on its web site monthly of the amount of credits that have been applied for, claimed, and the amount remaining before the statewide annual limit is reached:
- (b) Within fifteen days of receipt of the application, notify persons applying of the availability of tax credits in the year in which the vehicles applied for are anticipated to be delivered;
- (c) Within fifteen days of receipt of the notice of intent to claim the tax credit, notify the applicant of the approval, denial, or missing information in their notice; and
- (d) Within fifteen days of receipt of final documentation, review the documentation and notify the person applying of the acceptance of their final documentation.
- (10) If a person fails to supply the information as required in subsection (8) of this section, the department must deny the application.
 - (11)(a) Taxpayers are only eligible for a credit under this section based on:
- (i) Sales, but not leases, of new commercial vehicles and qualifying used commercial vehicles with propulsion units that are principally powered by a clean alternative fuel; or
- (ii) Costs to modify a commercial vehicle, including sales of tangible personal property incorporated into the vehicle and labor or service expenses incurred in modifying the vehicle, to be principally powered by a clean alternative fuel.
 - (b) A credit is earned when qualifying purchases are made.
- (12) A credit earned during one calendar year may be carried over to be credited against taxes incurred in the subsequent calendar year, but may not be carried over a second year.
- (13)(a) Beginning November 25, 2015, and on the 25th of February, May, August, and November of each year thereafter, the department must notify the state treasurer of the amount of credits taken under this section as reported on returns filed with the department during the preceding calendar quarter ending on the last day of December, March, June, and September, respectively.
- (b) On the last day of March, June, September, and December of each year, the state treasurer, based upon information provided by the department, must transfer a sum equal to the dollar amount of the credit provided under this section from the multimodal transportation account to the general fund.
- (14) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
- (a) "Commercial vehicle" means any commercial vehicle that is purchased by a private business and that is used exclusively in the transportation of commodities, merchandise, produce, refuse, freight, or animals, and that is displaying a Washington state license plate.
- (b) "Clean alternative fuel" means electricity, dimethyl ether, hydrogen, methane, natural gas, liquefied natural gas, compressed natural gas, or propane.
 - (c) "Qualifying used commercial vehicle" means vehicles that:

- (i) Have an odometer reading of less than thirty thousand miles;
- (ii) Are less than two years past their original date of manufacture;
- (iii) Were modified after the initial purchase with a United States environmental protection agency certified conversion that would allow the propulsion units to be principally powered by a clean alternative fuel; and
 - (iv) Are being sold for the first time after modification.
- (15) Credits may be earned under this section from January 1, 2016, through January 1, 2021.
- (16) Credits earned under this section may not be used after January 1, 2022.

<u>NEW SECTION.</u> **Sec. 412.** A new section is added to chapter 82.16 RCW to read as follows:

(1)(a) A person who is taxable under this chapter is allowed a credit against the tax imposed in this chapter according to the gross vehicle weight rating of the vehicle and the incremental cost of the vehicle purchased above the purchase price of a comparable conventionally fueled vehicle. The credit is limited, as set forth in the table below, to the lesser of the incremental cost amount or the maximum credit amount per vehicle purchased, and subject to a maximum annual credit amount per vehicle class.

Gross Vehicle Weight	Incremental Cost Amount	Maximum Credit Amount Per Vehicle	Maximum Annual Credit Per Vehicle Class
Up to 14,000 pounds	50% of incremental cost	\$5,000	\$2,000,000
14,001 to 26,500 pounds	50% of incremental cost	\$10,000	\$2,000,000
Above 26,500 pounds	50% of incremental cost	\$20,000	\$2,000,000

- (b) On September 1st of each year any unused credits from any weight class identified in the table in (a) of this subsection must be made available to applicants applying for credits under any other weight class listed.
- (c) The credit provided in this subsection (1) is not available for the lease of a vehicle.
- (2) A person who is taxable under this chapter is allowed, subject to the maximum annual credit per vehicle class in subsection (1)(a) of this section, a credit against the tax imposed in this chapter for the lesser of twenty-five thousand dollars or thirty percent of the costs of converting a commercial vehicle to be principally powered by a clean alternative fuel with a United States environmental protection agency certified conversion.
- (3) The total credits under this section may not exceed two hundred fifty thousand dollars or twenty-five vehicles per person per calendar year.
- (4) A person may not receive credit under this section for amounts claimed as credits under chapter 82.04 RCW.
- (5) Credits are available on a first-in-time basis. The department must disallow any credits, or portion thereof, that would cause the total amount of

credits claimed under this section, and section 411 of this act, during any calendar year to exceed six million dollars. The department must provide notification on its web site monthly on the amount of credits that have been applied for, the amount issued, and the amount remaining before the statewide annual limit is reached. In addition, the department must provide written notice to any person who has applied to claim tax credits in excess of the limitation in this subsection.

- (6) For the purposes of the limits provided in this section, a credit must be counted against such limits for the calendar year in which the credit is earned.
- (7) To claim a credit under this section a person must electronically file with the department all returns, forms, and any other information required by the department, in an electronic format as provided or approved by the department. No refunds may be granted for credits under this section.
 - (8) To claim a credit under this section, the person applying must:
 - (a) Complete an application for the credit which must include:
- (i) The name, business address, and tax identification number of the applicant;
- (ii) A quote or unexecuted copy of the purchase requisition or order for the vehicle;
 - (iii) The type of alternative fuel to be used by the vehicle;
 - (iv) The incremental cost of the alternative fuel system;
 - (v) The anticipated delivery date of the vehicle;
 - (vi) The estimated annual fuel use of the vehicle in its anticipated duties;
 - (vii) The gross weight of the vehicle; and
- (viii) Any other information deemed necessary by the department to support administration or reporting of the program.
- (b) Within fifteen days of notice of credit availability from the department, provide notice of intent to claim the credit including:
- (i) A copy of the order for the vehicle, including the total cost for the vehicle:
- (ii) The anticipated delivery date of the vehicle, which must be within one hundred twenty days of acceptance of the credit; and
- (iii) Any other information deemed necessary by the department to support administration or reporting of the program.
- (c) Provide final documentation within fifteen days of receipt of the vehicle, including:
 - (i) A copy of the final invoice for the vehicle;
 - (ii) A copy of the factory build sheet or equivalent documentation;
 - (iii) The vehicle identification number of the vehicle;
 - (iv) The incremental cost of the alternative fuel system;
- (v) Attestations signed by both the seller and purchaser of the vehicle attesting that the incremental cost of the alternative fuel system includes only the costs necessary for the vehicle to run on alternative fuel and no other vehicle options, equipment, or costs; and
- (vi) Any other information deemed necessary by the department to support administration or reporting of the program.
 - (9) To administer the credits, the department must, at a minimum:

- (a) Provide notification on its web site monthly of the amount of credits that have been applied for, claimed, and the amount remaining before the statewide annual limit is reached;
- (b) Within fifteen days of receipt of the application, notify persons applying of the availability of tax credits in the year in which the vehicles applied for are anticipated to be delivered;
- (c) Within fifteen days of receipt of the notice of intent to claim the tax credit, notify the applicant of the approval, denial, or missing information in their notice; and
- (d) Within fifteen days of receipt of final documentation, review the documentation and notify the person applying of the acceptance of their final documentation.
- (10) If a person fails to supply the information as required in subsection (8) of this section, the department must deny the application.
 - (11)(a) Taxpayers are only eligible for a credit under this section based on:
- (i) Sales, but not leases, of new commercial vehicles and qualifying used commercial vehicles with propulsion units that are principally powered by a clean alternative fuel; or
- (ii) Costs to modify a commercial vehicle, including sales of tangible personal property incorporated into the vehicle and labor or service expenses incurred in modifying the vehicle, to be principally powered by a clean alternative fuel.
 - (b) A credit is earned when qualifying purchases are made.
 - (12) The definitions in section 411 of this act apply to this section.
- (13) A credit earned during one calendar year may be carried over to be credited against taxes incurred in the subsequent calendar year, but may not be carried over a second year.
- (14)(a) Beginning November 25, 2015, and on the 25th of February, May, August, and November of each year thereafter, the department must notify the state treasurer of the amount of credits taken under this section as reported on returns filed with the department during the preceding calendar quarter ending on the last day of December, March, June, and September, respectively.
- (b) On the last day of March, June, September, and December of each year, the state treasurer, based upon information provided by the department, must transfer a sum equal to the dollar amount of the credit provided under this section from the multimodal transportation account to the general fund.
- (15) Credits may be earned under this section from January 1, 2016, through January 1, 2021.
- (16) Credits earned under this section may not be used after January 1, 2022.

Commute Trip Reduction Tax Credit

- **Sec. 413.** RCW 82.70.020 and 2015 1st sp.s. c 10 s 708 are each amended to read as follows:
- (1) Employers in this state who are taxable under chapter 82.04 or 82.16 RCW and provide financial incentives to their own or other employees for ride sharing, for using public transportation, for using car sharing, or for using nonmotorized commuting before ((July 1, 2017)) January 1, 2024, are allowed a credit against taxes payable under chapters 82.04 and 82.16 RCW for amounts paid to or on behalf of employees for ride sharing in vehicles carrying two or

more persons, for using public transportation, for using car sharing, or for using nonmotorized commuting, not to exceed sixty dollars per employee per fiscal year.

- (2) Property managers who are taxable under chapter 82.04 or 82.16 RCW and provide financial incentives to persons employed at a worksite in this state managed by the property manager for ride sharing, for using public transportation, for using car sharing, or for using nonmotorized commuting before ((July 1, 2017)) January 1, 2024, are allowed a credit against taxes payable under chapters 82.04 and 82.16 RCW for amounts paid to or on behalf of these persons for ride sharing in vehicles carrying two or more persons, for using public transportation, for using car sharing, or for using nonmotorized commuting, not to exceed sixty dollars per person per fiscal year.
- (3) The credit under this section is equal to the amount paid to or on behalf of each employee multiplied by fifty percent, but may not exceed sixty dollars per employee per fiscal year. No refunds may be granted for credits under this section.
- (4) A person may not receive credit under this section for amounts paid to or on behalf of the same employee under both chapters 82.04 and 82.16 RCW.
- (5) A person may not take a credit under this section for amounts claimed for credit by other persons.
- **Sec. 414.** RCW 82.70.040 and 2015 1st sp.s. c 10 s 709 are each amended to read as follows:
- (1)(a)(i) The department ((shall)) must keep a running total of all credits allowed under RCW 82.70.020 during each fiscal year. The department ((shall)) may not allow any credits that would cause the total amount allowed to exceed two million seven hundred fifty thousand dollars in any fiscal year. ((This limitation includes any deferred credits carried forward under subsection (2)(b)(i) of this section from prior years.))
- (ii) ((During the 2013-2015 and 2015-2017 fiscal biennia;)) The department shall not allow any credits that would cause the total amount allowed to exceed one million five hundred thousand dollars in any fiscal year. ((This limitation includes any deferred credits carried forward under subsection (2)(b)(i) of this section from prior years.))
- (b) If the total amount of credit applied for by all applicants in any year exceeds the limit in this subsection, the department ((shall)) must ratably reduce the amount of credit allowed for all applicants so that the limit in this subsection is not exceeded. If a credit is reduced under this subsection, the amount of the reduction may not be carried forward and claimed in subsequent fiscal years.
- (2)(a) Tax credits under RCW 82.70.020 may not be claimed in excess of the amount of tax otherwise due under chapter 82.04 or 82.16 RCW.
- (b)(((i))) Through June 30, 2005, a person with taxes equal to or in excess of the credit under RCW 82.70.020, and therefore not subject to the limitation in (a) of this subsection, may elect to defer tax credits for a period of not more than three years after the year in which the credits accrue. ((No credits deferred under this subsection (2)(b)(i) may be used after June 30, 2008. A person deferring tax credits under this subsection (2)(b)(i) must submit an application as provided in RCW 82.70.025 in the year in which the deferred tax credits will be used. This application is subject to the provisions of subsection (1) of this section for the year in which the tax credits will be applied. If a deferred credit is reduced under

subsection (1)(b) of this section, the amount of deferred credit disallowed because of the reduction may be carried forward as long as the period of deferral does not exceed three years after the year in which the credit was carned.

- (ii))) For credits approved by the department ((after)) through June 30, ((2005)) 2015, the approved credit may be carried forward ((to subsequent years until used)) and used for tax reporting periods through December 31, 2016. Credits approved after June 30, 2015, must be used for tax reporting periods within the calendar year for which they are approved by the department and may not be carried forward to subsequent tax reporting periods. Credits carried forward as authorized by this subsection are subject to the limitation in subsection (1)(a) of this section for the fiscal year for which the credits were originally approved.
- (3) No person ((shall)) may be approved for tax credits under RCW 82.70.020 in excess of ((two)) one hundred thousand dollars in any fiscal year. This limitation does not apply to credits carried forward from prior years under subsection (2)(b) of this section.
 - (4) No person may claim tax credits after June 30, ((2017)) 2024.
- (5) ((Credits may not be carried forward other than as authorized in subsection (2)(b) of this section.
- (6)) No person is eligible for tax credits under RCW 82.70.020 if the additional revenues for the multimodal transportation account created by ((Engrossed Substitute House Bill No. 2231)) chapter 361, Laws of 2003 are terminated.
- **Sec. 415.** RCW 82.70.050 and 2015 1st sp.s. c 10 s 710 are each amended to read as follows:
- (1) ((During the 2013-2015 and 2015-2017 fiscal biennia,)) The director ((shall)) must on the 25th of February, May, August, and November of each year advise the state treasurer of the amount of credit taken under RCW 82.70.020 during the preceding calendar quarter ending on the last day of December, March, June, and September, respectively.
- (2) On the last day of March, June, September, and December of each year, the state treasurer, based upon information provided by the department, ((shall)) must deposit to the general fund a sum equal to the dollar amount of the credit provided under RCW 82.70.020 from the multimodal transportation account.
 - (3) This section expires January 1, 2025.
- **Sec. 416.** RCW 82.70.900 and 2015 1st sp.s. c 10 s 711 are each amended to read as follows:
- Except for RCW 82.70.050, this chapter expires ((June 30, 2017)) July 1, 2024.
- **Sec. 417.** RCW 82.70.025 and 2005 c 297 s 2 are each amended to read as follows:
- (1) Application for tax credits under this chapter must be received by the department between the first day of January and the 31st day of January, following the calendar year in which the applicant made payments to or on behalf of employees for ride sharing in vehicles carrying two or more persons, for using public transportation, for using car sharing, or for using nonmotorized commuting. The application ((shall)) must be made to the department in a form and manner prescribed by the department. The application ((shall)) must contain

information regarding the number of employees for which incentives are paid during the calendar year, the amounts paid to or on behalf of employees for ride sharing in vehicles carrying two or more persons, for using public transportation, for using car sharing, or for using nonmotorized commuting, ((the amount of credit deferred under RCW 82.70.040(2)(b)(i) to be used, and other information required by the department. For applications due by January 31, 2006, the application shall not include amounts paid from January 1, 2005, through June 30, 2005, to or on behalf of employees for ride sharing in vehicles carrying two or more persons, for using public transportation, for using car sharing, or for using nonmotorized commuting)) and other information required by the department.

- (2) The department ((shall)) must rule on the application within sixty days of the deadline provided in subsection (1) of this section.
- (3)(a) The department ((shall)) <u>must</u> disapprove any application not received by the deadline provided in subsection (1) of this section ((regardless of the reason that the application was received after the deadline)) except that the department may accept applications received up to fifteen calendar days after the deadline if the application was not received by the deadline because of circumstances beyond the control of the taxpayer.
- (b) In making a determination whether the failure of a taxpayer to file an application by the deadline was the result of circumstances beyond the control of the taxpayer, the department must be guided by rules adopted by the department for the waiver or cancellation of penalties when the underpayment or untimely payment of any tax was due to circumstances beyond the control of the taxpayer.
- (4) After an application is approved and tax credit granted, no increase in the credit ((shall be)) is allowed.
- (5) To claim a credit under this chapter, a person must electronically file with the department all returns, forms, and other information the department requires in an electronic format as provided or approved by the department. Any return, form, or information required to be filed in an electronic format under this section is not filed until received by the department in an electronic format. As used in this subsection, "returns" has the same meaning as "return" in RCW 82.32.050.
- **Sec. 418.** RCW 82.70.060 and 2005 c 319 s 138 are each amended to read as follows:

The commute trip reduction ((task force shall determine the effectiveness of the tax credit under RCW 82.70.020, the grant program in RCW 70.94.996, and the relative effectiveness of the tax credit and the grant program)) board must determine the effectiveness of the tax credit under RCW 82.70.020 as part of its ongoing evaluation of the commute trip reduction law ((and report to the senate and house transportation committees and to the fiscal committees of the house of representatives and the senate. The report must include information on the amount of tax credits claimed to date and recommendations on future funding between the tax credit program and the grant program. The report must be incorporated into the recommendations required in RCW 70.94.537(5))). The department must provide requested information to the commute trip reduction board for its assessment.

<u>NEW SECTION.</u> **Sec. 419.** This section is the tax preference performance statement for the tax preference contained in RCW 82.70.020. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

- (1) The legislature categorizes this tax preference as one intended to induce certain designated behavior by taxpayers as indicated in RCW 82.32.808(2)(a).
- (2) It is the legislature's specific public policy objective to reduce traffic congestion, automobile-related air pollution and energy use through employer-based programs that encourage the use of alternatives to the single-occupant vehicle traveling during peak traffic periods for the commute trip. It is the legislature's intent to extend the commute trip reduction tax credit, which encourages employers to provide financial incentives to their employees for using ride sharing, public transportation, car sharing, or nonmotorized commuting. Pursuant to chapter 43.136 RCW, the joint legislative audit and review committee must review the commute trip reduction tax credit established under RCW 82.70.020 by December 1, 2024.
- (3) If a review finds that the percentage of Washingtonians using commute alternatives is increasing, then the legislature intends for the legislative auditor to recommend extending the expiration date of the tax preferences.
- (4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee should refer to the office of financial management's results Washington sustainable transportation performance metric or data used by the department of transportation's commute trip reduction program.

Transfers to the Connecting Washington Account

<u>NEW SECTION.</u> **Sec. 420.** A new section is added to chapter 82.32 RCW to read as follows:

- (1) Beginning September 2019 and ending June 2021, by the last day of September, December, March, and June of each year, the state treasurer must transfer from the general fund to the connecting Washington account created in section 106 of this act thirteen million six hundred eighty thousand dollars.
- (2) Beginning September 2021 and ending June 2023, by the last day of September, December, March, and June of each year, the state treasurer must transfer from the general fund to the connecting Washington account created in section 106 of this act thirteen million eight hundred five thousand dollars.
- (3) Beginning September 2023 and ending June 2025, by the last day of September, December, March, and June of each year, the state treasurer must transfer from the general fund to the connecting Washington account created in section 106 of this act thirteen million nine hundred eighty-seven thousand dollars.
- (4) Beginning September 2025 and ending June 2027, by the last day of September, December, March, and June of each year, the state treasurer must transfer from the general fund to the connecting Washington account created in section 106 of this act eleven million six hundred fifty-eight thousand dollars.
- (5) Beginning September 2027 and ending June 2029, by the last day of September, December, March, and June of each year, the state treasurer must transfer from the general fund to the connecting Washington account created in section 106 of this act seven million five hundred sixty-four thousand dollars.

- (6) Beginning September 2029 and ending June 2031, by the last day of September, December, March, and June of each year, the state treasurer must transfer from the general fund to the connecting Washington account created in section 106 of this act four million fifty-six thousand dollars.
- **Sec. 421.** RCW 43.135.034 and 2013 c 1 s 2 are each amended to read as follows:
- (1)(a) Any action or combination of actions by the legislature that raises taxes may be taken only if approved by a twothirds vote in both the house of representatives and the senate. Pursuant to the referendum power set forth in Article II, section 1(b) of the state Constitution, tax increases may be referred to the voters for their approval or rejection at an election.
- (b) For the purposes of this chapter, "raises taxes" means any action or combination of actions by the state legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund.
- (2)(a) If the legislative action under subsection (1) of this section will result in expenditures in excess of the state expenditure limit, then the action of the legislature ((shall)) may not take effect until approved by a vote of the people at a November general election. The state expenditure limit committee ((shall)) must adjust the state expenditure limit by the amount of additional revenue approved by the voters under this section. This adjustment ((shall)) may not exceed the amount of revenue generated by the legislative action during the first full fiscal year in which it is in effect. The state expenditure limit ((shall)) must be adjusted downward upon expiration or repeal of the legislative action.
- (b) The ballot title for any vote of the people required under this section ((shall)) must be substantially as follows:

"Shall taxes be imposed on in order to allow a spending increase above last year's authorized spending adjusted for personal income growth?"

- (3)(a) The state expenditure limit may be exceeded upon declaration of an emergency for a period not to exceed twentyfour months by a law approved by a twothirds vote of each house of the legislature and signed by the governor. The law ((shall)) must set forth the nature of the emergency, which is limited to natural disasters that require immediate government action to alleviate human suffering and provide humanitarian assistance. The state expenditure limit may be exceeded for no more than twentyfour months following the declaration of the emergency and only for the purposes contained in the emergency declaration.
- (b) Additional taxes required for an emergency under this section may be imposed only until thirty days following the next general election, unless an extension is approved at that general election. The additional taxes ((shall)) expire upon expiration of the declaration of emergency. The legislature ((shall)) may not impose additional taxes for emergency purposes under this subsection unless funds in the education construction fund have been exhausted.
- (c) The state or any political subdivision of the state ((shall)) may not impose any tax on intangible property listed in RCW 84.36.070 as that statute exists on January 1, 1993.
- (4) If the cost of any state program or function is shifted from the state general fund to another source of funding, or if moneys are transferred from the state general fund to another fund or account, the state expenditure limit

committee, acting pursuant to RCW 43.135.025(5), ((shall)) must lower the state expenditure limit to reflect the shift. For the purposes of this section, a transfer of money from the state general fund to another fund or account includes any state legislative action taken that has the effect of reducing revenues from a particular source, where such revenues would otherwise be deposited into the state general fund, while increasing the revenues from that particular source to another state or local government account. This subsection does not apply to: (a) The dedication or use of lottery revenues under RCW 67.70.240(($\frac{1}{2}$))) (1)(c), in support of education or education expenditures; (($\frac{1}{2}$)) (b) a transfer of money to, or an expenditure from, the budget stabilization account; or (c) a transfer of money to, or an expenditure from, the connecting Washington account established in section 106 of this act.

(5) If the cost of any state program or function and the ongoing revenue necessary to fund the program or function are shifted to the state general fund on or after January 1, 2007, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), ((shall)) must increase the state expenditure limit to reflect the shift unless the shifted revenue had previously been shifted from the general fund.

<u>NEW SECTION.</u> **Sec. 422.** A new section is added to chapter 81.112 RCW to read as follows:

- (1) Beginning January 1, 2017, and until the requirements in subsection (4) of this section are met, a regional transit authority must pay to the department of revenue, for deposit into the Puget Sound taxpayer accountability account, a sales and use tax offset fee.
- (2) A sales and use tax offset fee is three and twenty-five one-hundredths percent of the total payments made by the regional transit authority to construction contractors on construction contracts that are (a) for new projects identified in the system plan funded by any proposition approved by voters after January 1, 2015, and (b) excluded from the definition of retail sale under RCW 82.04.050(10).
- (3) Fees are due monthly by the twenty-fifth day of the month, with respect to payments made to construction contractors during the previous month.
- (4) A sales and use tax offset fee is due until the regional transit authority has paid five hundred eighteen million dollars.
- (5) Except as otherwise provided in this section, the provisions of chapter 82.32 RCW apply to this section.
- (6) The department of revenue must oversee the collection of the sales and use tax offset fee and may adopt rules necessary to implement this section.

<u>NEW SECTION.</u> **Sec. 423.** A new section is added to chapter 43.79 RCW to read as follows:

(1) The Puget Sound taxpayer accountability account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may only be used for distribution to counties where a portion of the county is within the boundaries of a regional transit authority that includes a county with a population of one million five hundred thousand or more. Counties may use distributions from the account only for educational services to improve educational outcomes in early learning, K-12, and higher education including, but not limited to, for youths that are low-

income, homeless, or in foster care, or other vulnerable populations. Counties receiving distributions under this section must track all expenditures and uses of the funds. To the greatest extent practicable, the expenditures of the counties must follow the requirements of any transportation subarea equity element used by the regional transit authority.

(2) Beginning September 1, 2017, and by the last day of September, December, March, and June of each year thereafter, the state treasurer shall distribute moneys deposited in the Puget Sound taxpayer accountability account to counties for which a portion of the county is within the boundaries of a regional transit authority that includes a county with a population of one million five hundred thousand. The treasurer must make the distribution to the counties on the relative basis of that transit authority's population that lives within the respective counties.

Rate Setting for Garbage Companies

Sec. 424. RCW 81.77.170 and 1989 c 431 s 36 are each amended to read as follows:

For rate-making purposes, a fee, charge, or tax on the <u>collection or</u> disposal of solid waste ((shall be)) <u>is</u> considered a normal operating expense of the solid waste collection company, <u>including all taxes and fees imposed or increased under this act.</u> Filing for pass-through of any such fee, charge, or tax is not <u>considered a general rate proceeding</u>.

Effective Dates and Other Miscellaneous Provisions

<u>NEW SECTION.</u> **Sec. 425.** 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.

<u>NEW SECTION.</u> **Sec. 426.** Except for sections 103, 105, 108, 110, 323, and 325 of this act, 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.

NEW SECTION. Sec. 427. Sections 103, 105, and 110 of this act take effect July 1, 2016.

<u>NEW SECTION.</u> **Sec. 428.** Sections 101, 102, 104, and 109 of this act expire July 1, 2016, if sections 103, 105, and 110 of this act take effect July 1, 2016.

<u>NEW SECTION.</u> **Sec. 429.** Section 107 of this act expires on the date the requirements set out in section 7, chapter 36, Laws of 2012 are met.

<u>NEW SECTION.</u> **Sec. 430.** Section 108 of this act takes effect on the date the requirements set out in section 7, chapter 36, Laws of 2012 are met.

<u>NEW SECTION.</u> **Sec. 431.** Sections 322 and 324 of this act expire January 1, 2018.

<u>NEW SECTION.</u> **Sec. 432.** Sections 323 and 325 of this act take effect January 1, 2018.

Passed by the Senate July 1, 2015.

Passed by the House July 1, 2015.

Approved by the Governor July 15, 2015.

Filed in Office of Secretary of State July 16, 2015.

CHAPTER 45

[Engrossed Substitute Senate Bill 5989] TRANSPORTATION FUNDING--BONDS

AN ACT Relating to authorizing bonds for transportation funding; amending RCW 47.10.---, 47.10.---, and 47.10.---; adding new sections to chapter 47.10 RCW; providing an effective date; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> **Sec. 1.** In order to provide funds necessary for the location, design, right-of-way, and construction of selected projects or improvements that are identified as connecting Washington projects or improvements in an omnibus transportation appropriations act, there shall be issued and sold upon the request of the department of transportation a total of five billion three hundred million dollars of general obligation bonds of the state of Washington.

<u>NEW SECTION.</u> **Sec. 2.** Upon the request of the department of transportation, as appropriate, the state finance committee shall supervise and provide for the issuance, sale, and retirement of the bonds in this act in accordance with chapter 39.42 RCW. Bonds authorized by this act shall be sold in the manner, at time or times, in amounts, and at the price as the state finance committee shall determine. No bonds may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

The state finance committee shall consider the issuance of short- term obligations in lieu of long-term obligations for the purposes of more favorable interest rates, lower total interest costs, and increased marketability and for the purpose of retiring the bonds during the life of the project for which they were issued.

<u>NEW SECTION.</u> **Sec. 3.** The proceeds from the sale of bonds authorized by section 1 of this act shall be deposited in the connecting Washington account in the motor vehicle fund. The proceeds shall be available only for the purposes enumerated in section 1 of this act, for the payment of bond anticipation notes, if any, and for the payment of bond issuance costs, including the costs of underwriting.

NEW SECTION. Sec. 4. Bonds issued under the authority of this section and sections 1 through 3, 5, and 6 of this act shall distinctly state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay such principal and interest as the same shall become due. The principal and interest on the bonds shall be first payable in the manner provided in this section and sections 1 through 3, 5, and 6 of this act from the proceeds of the state excise taxes on motor vehicle and special fuels imposed by chapters 82.36 and 82.38 RCW and vehicle-related fees imposed under Title 46 RCW that constitute license fees for motor vehicles required to be used for highway purposes. Proceeds of these excise taxes and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of this section and sections 1 through 3, 5, and 6 of this act, and the legislature agrees to continue to impose these

excise taxes on motor vehicle and special fuels and vehicle-related fees in amounts from such sources sufficient to pay, when due, the principal and interest on all bonds issued under the authority of this section and sections 1 through 3, 5, and 6 of this act.

<u>NEW SECTION.</u> **Sec. 5.** (1) Both principal and interest on the bonds issued for the purposes of this section and sections 1 through 4 and 6 of this act shall be payable from the highway bond retirement fund. The state finance committee may provide that a special account be created in the fund to facilitate payment of the principal and interest. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on the bonds in accordance with the bond proceedings. The state treasurer shall withdraw revenues from the connecting Washington account in the motor vehicle fund and deposit in the highway bond retirement fund, or a special account in the fund, such amounts, and at such times, as are required by the bond proceedings.

- (2)(a) Any funds required for bond retirement or interest on the bonds authorized by this section and sections 1 through 4 and 6 of this act shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and vehicle-related fees, and that is distributed to the connecting Washington account in the motor vehicle fund.
- (b) Funds required shall never constitute a charge against any other allocations of motor vehicle fuel and special fuel tax and vehicle-related fee revenues to the state, counties, cities, and towns unless the amount arising from excise taxes on motor vehicle and special fuels and vehicle-related fees distributed to the connecting Washington account described in (a) of this subsection proves insufficient to meet the requirements for bond retirement or interest on any such bonds.
- (c) Any payments for bond retirement or interest on the bonds taken from other revenues from the motor vehicle fuel or special fuel taxes and vehicle-related fees that are distributable to the state, counties, cities, and towns shall be repaid from the first revenues from the motor vehicle fuel or special fuel taxes and vehicle-related fees distributed to the connecting Washington account described in (a) of this subsection not required for bond retirement or interest on the bonds

<u>NEW SECTION.</u> **Sec. 6.** Bonds issued under the authority of sections 1 through 5 of this act and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge motor vehicle and special fuels excise taxes and vehicle-related fees for the payment of principal and interest thereon shall be an equal charge against the revenues from such motor vehicle and special fuels excise taxes and vehicle-related fees.

<u>NEW SECTION.</u> **Sec. 7.** For purposes of sections 1 through 6 of this act, "vehicle-related fees" means vehicle-related fees imposed under Title 46 RCW that constitute license fees for motor vehicles required to be used for highway purposes.

Sec. 8. RCW 47.10.--- and 2015 3rd sp.s. c ... s 4 (section 4 of this act) are each amended to read as follows:

Bonds issued under the authority of this section and RCW 47.10.--- through 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6 of this act) shall distinctly state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay such principal and interest as the same shall become due. The principal and interest on the bonds shall be first payable in the manner provided in this section and RCW 47.10.--- through 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6 of this act) from the proceeds of the state excise taxes on ((motor vehicle and special)) fuel((s)) imposed by chapter((s 82.36 and)) 82.38 RCW and vehiclerelated fees imposed under Title 46 RCW that constitute license fees for motor vehicles required to be used for highway purposes. Proceeds of these excise taxes and vehicle-related fees are hereby pledged to the payment of any bonds and the interest thereon issued under the authority of this section and RCW 47.10.--- through 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6 of this act), and the legislature agrees to continue to impose these excise taxes on ((motor vehicle and special)) fuel((s)) and vehicle-related fees in amounts from such sources sufficient to pay, when due, the principal and interest on all bonds issued under the authority of this section and RCW 47.10.--- through 47.10.---, 47.10.---, and 47.10.--- (sections 1 through 3, 5, and 6 of this act).

- **Sec. 9.** RCW 47.10.--- and 2015 3rd sp.s. c ... s 5 (section 5 of this act) are each amended to read as follows:
- (1) Both principal and interest on the bonds issued for the purposes of this section and RCW 47.10.--- through 47.10.--- and 47.10.--- (sections 1 through 4 and 6 of this act) shall be payable from the highway bond retirement fund. The state finance committee may provide that a special account be created in the fund to facilitate payment of the principal and interest. The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount required for principal and interest on the bonds in accordance with the bond proceedings. The state treasurer shall withdraw revenues from the connecting Washington account in the motor vehicle fund and deposit in the highway bond retirement fund, or a special account in the fund, such amounts, and at such times, as are required by the bond proceedings.
- (2)(a) Any funds required for bond retirement or interest on the bonds authorized by this section and RCW 47.10.--- through 47.10.--- (sections 1 through 4 and 6 of this act) shall be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on ((motor vehicle and special)) fuel((s)) and vehicle-related fees, and that is distributed to the connecting Washington account in the motor vehicle fund.
- (b) Funds required shall never constitute a charge against any other allocations of ((motor vehicle fuel and special)) fuel tax and vehicle-related fee revenues to the state, counties, cities, and towns unless the amount arising from excise taxes on ((motor vehicle and special)) fuel((s)) and vehicle-related fees distributed to the connecting Washington account described in (a) of this subsection proves insufficient to meet the requirements for bond retirement or interest on any such bonds.
- (c) Any payments for bond retirement or interest on the bonds taken from other revenues from the ((motor vehicle fuel or special)) fuel taxes and vehicle-related fees that are distributable to the state, counties, cities, and towns shall be

repaid from the first revenues from the ((motor vehicle fuel or special)) fuel taxes and vehicle-related fees distributed to the connecting Washington account described in (a) of this subsection not required for bond retirement or interest on the bonds.

Sec. 10. RCW 47.10.--- and 2015 3rd sp.s. c ... s 6 (section 6 of this act) are each amended to read as follows:

Bonds issued under the authority of RCW 47.10.--- through 47.10.--- (sections 1 through 5 of this act) and this section and any other general obligation bonds of the state of Washington that have been or that may be authorized and that pledge ((motor vehicle and special)) fuel((s)) excise taxes and vehicle-related fees for the payment of principal and interest thereon shall be an equal charge against the revenues from such ((motor vehicle and special)) fuel((s)) excise taxes and vehicle-related fees.

<u>NEW SECTION.</u> **Sec. 11.** Sections 1 through 7 of this act are each added to chapter 47.10 RCW.

<u>NEW SECTION.</u> **Sec. 12.** Except for sections 8 through 10 of this act, 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.

<u>NEW SECTION.</u> **Sec. 13.** Sections 4 through 6 of this act expire July 1, 2016.

<u>NEW SECTION.</u> **Sec. 14.** Sections 8 through 10 of this act take effect July 1, 2016.

Passed by the Senate June 29, 2015. Passed by the House July 10, 2015. Approved by the Governor July 15, 2015.

Filed in Office of Secretary of State July 16, 2015.

AUTHENTICATION

I, K. Kyle Thiessen, Code Reviser of the State of Washington, certify that, with the exception of such corrections as I have made in accordance with the powers vested in me by RCW 44.20.060, the laws published in this volume are a true and correct reproduction of the copies of the enrolled laws of the 2015 third special session (64th Legislature), chapters 3 through 45, as certified and transmitted to the Statute Law Committee by the Secretary of State under RCW 44.20.020.

IN TESTIMONY WHEREOF, I have hereunto set my hand at Olympia, Washington, this 18th day of September, 2015.

K. Kyle Uniesse

K. KYLE THIESSEN

Code Reviser

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2.28.175	REP	291	11	9.94A.501	AMD	134	1
2.28.180	REP	291	11	9.94A.501	AMD	290	
2.28.190	REP	291	11	9.94A.505	AMD	81	1
2.36.010	AMD	7	1	9.94A.505	AMD	287	10
2.36.054	AMD	225	1	9.94A.515	REMD	261	11
2.36.057	AMD	1 E3	401	9.94A.517	AMD	291	8
2.36.057	AMD	225	2	9.94A.517	AMD	291	9
2.36.0571	AMD	1 E3	402	9.94A.533	AMD	134	2
2.36.0571	AMD	225	3	9.94A.550	AMD	265	15
2.36.080	AMD	7	3	9.94A.589	AMD	3 E	
2.36.100	AMD	7	2	9.94A.607	AMD	81	2
2.68.060	AMD	1 E3	403	9.94A.703	REMD	81	3
2.68.060	AMD	225	4	9.94A.704	AMD	134	8
2.70	ADD	117	2-6	9.94A.704	AMD	287	7
3.34.010	AMD	25 E3	1	9.94A.728	AMD	134	3
3.34.050	AMD	53	1	9.94A.728	AMD	156	1
3.66.020	AMD	260	1	9.94A.729	AMD	134	4
4.24	ADD	8 E2	1	9.94A.730	AMD	134	6
4.24	ADD	214	61	9.94A.734	AMD	287	2
4.24.550	AMD	261	1	9.94B.080	AMD	80	1
4.24.660	AMD	26	2	9A	ADD	7 E	
4.28.080	AMD	51	2	9A.20.021	AMD	265	16
4.92.110	AMD	225	5	9A.40.060	AMD	38	2
4.96.020	AMD	225	6	9A.40.070	AMD	38	3
5	ADD	221	1,2	9A.44	ADD	261	4
7	ADD	276	1-47	9A.44.128	AMD	261	2
7.68	ADD	100	2	9A.44.130	AMD	261	3
7.68	ADD	273	2	9A.44.132	AMD	261	5

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9A.44.140	AMD	261	6	13.32A.065	RECD	69	30
9A.44.141	AMD	261	7	13.32A.070	RECD	69	30
9A.44.142	AMD	261	8	13.32A.090	AMD	69	16
9A.44.143	AMD	261	9	13.32A.090	RECD	69	30
9A.50.030	AMD	265	17	13.32A.095	AMD	69	17
9A.56.060	AMD	265	18	13.32A.095	RECD	69	30
9A.56.085	AMD	265	19	13.32A.130	AMD	69	18
9A.76.130	AMD	287	11	13.32A.130	RECD	69	30
9A.88.120	AMD	265	20	13.34.136	AMD	270	1
9A.88.140	AMD	265	21	13.34.145	REMD	257	1
10	ADD	267	1-6	13.34.145	REMD	270	2
10.01.160	AMD	35 E3	1	13.34.267	AMD	240	1
10.21	ADD	287	6,12	13.40	ADD	265	5
10.21.015	AMD	3 E2		13.40.080	AMD	265	25
10.21.030	AMD	287	5	13.40.085	REP	265	39
10.21.055	AMD	3 E2		13.40.127	REMD	265	26
10.73.160	AMD	265	22	13.40.145	REP	265	39
10.77	ADD	7 E1	2,3	13.40.190	AMD	265	6
			9-11	13.40.192	AMD	265	7
10.77.065	AMD	7 E1	15	13.40.320	AMD	23 E3	1
10.77.065	REMD	7 E1	16	13.40.700	REP	291	11
10.77.068	AMD	5	1	13.40.710	REP	291	11
10.77.073	AMD	7 E1	7	13.50	ADD	265	9
10.77.084	AMD	7 E1	4	13.50.010	REMD	262	1
10.77.086	AMD	7 E1	5	13.50.010	REMD	265	2
10.77.088	AMD	7 E1	6	13.50.260	AMD	265	3
10.77.091	AMD	253	1	13.60.010	AMD	2 E1	2
10.77.220	AMD	7 E1	8	14.08.304	AMD	53	2
10.82.090	AMD	265	23	15.24.086	AMD	225	8
10.95.030	AMD	134	5	15.24.800	DECD	4 E1	1
10.95.035	AMD	134	7	15.24.802	DECD	4 E1	1
10.99.040	AMD	287	9	15.24.804	DECD	4 E1	1
10.99.080	AMD	265	24	15.24.806	DECD	4 E1	1
10.99.080	AMD	275	14	15.24.808	DECD	4 E1	1
11	ADD	115	4-16	15.24.810	DECD	4 E1	1
11.88	ADD	295	1	15.24.812	DECD	4 E1	1
11.88.120	AMD	293	1	15.24.814	DECD	4 E1	1
11.96A.030	REMD	115	1	15.24.816	DECD	4 E1	1
11.98	ADD	115	3	15.24.818	DECD	4 E1	1
11.98.070	AMD	115	2	15.36	ADD	27 E3	6
11.100.020	AMD	115	18	15.36.051	AMD	27 E3	2
13.32A.042	AMD	69	11	15.36.081	AMD	27 E3	3
13.32A.042	RECD	69	30	15.36.491	AMD	27 E3	4
13.32A.044	AMD	69	12	15.36.525	AMD	27 E3	5
13.32A.044	RECD	69	30	15.36.551	AMD	5 E1	1
13.32A.050	AMD	69	13	15.58.233	AMD	184	1
13.32A.050	RECD	69	30	15.64.060	AMD	225	9
13.32A.060	REMD	69	14	15.65.285	AMD	225	10
		69	30				
13.32A.060	RECD	09	.50	15.66.280	AMD	225	11

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15.89.070	AMD	225	13	18.71.210	AMD	157	5
15.100.080	AMD	225	14	18.71A.020	AMD	252	9
15.115.180	AMD	225	15	18.73	ADD	157	4
16.52	ADD	235	1	18.73.030	REMD	93	5
16.52.011	REMD	235	2	18.79	ADD	104	1
16.52.117	AMD	235	3	18.85.011	AMD	133	1
16.52.205	AMD	235	6	18.85.451	AMD	175	1
16.52.320	AMD	235	4	18.85.461	AMD	175	2
16.57	ADD	197	1	18.85.471	AMD	175	3
16.57.160	AMD	197	2	18.88A.020	AMD	158	1
17.15.020	AMD	225	16	18.88B.035	AMD	152	4
18	ADD	118	1-11	18.88B.041	AMD	152	1
18.04.065	AMD	215	6	18.100.120	AMD	176	9120
18.06	ADD	60	1	18.108	ADD	18	1
18.06.140	AMD	60	2	18.120.020	REMD	118	12
18.16.010	AMD	62	13	18.130	ADD	3 E2	21
18.16.020	REMD	62	1	18.130.040	REMD	118	13
18.16.030	AMD	62	2	18.130.062	AMD	159	1
18.16.050	AMD	62	3	18.130.345	REP	205	5
18.16.060	AMD	62	4	18.165.020	AMD	105	1
18.16.130	AMD	62	5	18.170.020	AMD	4 E2	504
18.16.170	AMD	62	6	18.260.040	AMD	120	3
18.16.175	AMD	62	7	19	ADD	28	1-3
18.16.180	AMD	62	8	19	ADD	72	1-6
18.16.190	AMD	62	9	19	ADD	108	1-4
18.16.200	AMD	62	10				6
18.16.290	AMD	62	11	19	ADD	129	1-3
18.16.900	AMD	62	12	19	ADD	166	1
18.25.020	AMD	72	7	19.16.100	REMD	201	3
18.27.010	AMD	52	1	19.27.031	AMD	11	2
18.28	ADD	167	4	19.27.060	AMD	226	1
18.28.010	REMD	167	1	19.27.097	AMD	225	17
18.28.080	AMD	167	2	19.27.150	AMD	225	18
18.28.120	AMD	167	3	19.27A.020	AMD	11	3
18.29.050	AMD	120	1	19.27A.190	AMD	225	20
18.29.190	AMD	120	2	19.29A	ADD	285	3-5
18.32.100	AMD	72	8	19.29A.010	AMD	285	1
18.44.021	AMD	229	1	19.29A.020	AMD	285	2
18.53.010	AMD	113	1	19.34.100	AMD	1 E3	404
18.57.050	AMD	252	10	19.34.100	AMD	225	21
18.57A.020	AMD	252	11	19.34.231	REMD	72	9
18.59.100	AMD	10	1	19.60.060	AMD	294	1
18.64	ADD	85	1	19.144.010	AMD	229	2
18.64	ADD	255	1	19.144.080	AMD	229	3
18.64.011	REMD	234	3	19.144.090	AMD	229	4
18.64.043	AMD	234	4	19.146.010	AMD	229	5
18.71.080	AMD	252	8	19.146.020	AMD	229	6
18.71.200	AMD	93	2	19.146.0201	AMD	229	7
18.71.205	AMD	93	3	19.146.030	AMD	229	8
18.71.210	AMD	93	4	19.146.040	AMD	229	9

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19.146.070	AMD	229	10	23.86.335	REP	176	9121
19.146.205	AMD	229	11	23.86.340	REP	176	9121
19.146.220	AMD	229	12	23.86.370	AMD	176	9111
19.146.221	AMD	229	13	23.90.040	AMD	176	9112
19.146.227	AMD	229	14	23B.01.200	AMD	176	2101
19.146.228	AMD	229	15	23B.01.210	REP	176	2149
19.146.265	AMD	229	16	23B.01.220	AMD	176	2102
19.146.290	REP	229	37	23B.01.230	AMD	176	2103
19.146.300	AMD	229	17	23B.01.240	AMD	176	2104
19.146.330	REP	229	37	23B.01.250	AMD	176	2105
19.146.390	AMD	229	18	23B.01.260	REP	176	2149
19.150	ADD	13	4,5	23B.01.270	REP	176	2149
19.150.010	AMD	13	1	23B.01.280	AMD	176	2106
19.150.040	AMD	13	2	23B.01.290	AMD	176	2107
19.150.060	AMD	13	3	23B.01.400	AMD	20	1
19.160.010	AMD	168	1	23B.01.400	AMD	176	2148
19.160.030	AMD	168	2	23B.01.410	AMD	176	2108
19.255.010	AMD	64	2	23B.01.500	REP	176	2149
19.280	ADD	19 E3	6,7,11	23B.01.510	REP	176	2149
19.280.020	REMD	19 E3	8	23B.01.520	AMD	176	2109
19.280.030	AMD	19 E3	9	23B.01.530	REP	176	2149
19.280.060	AMD	19 E3	3 10	23B.01.540	AMD	176	2110
19.285.060	AMD	225	22	23B.01.550	REP	176	2149
23	ADD	176	1101-	23B.01.560	REP	176	2149
			1104	23B.01.570	AMD	176	2111
			1201-	23B.01.580	REP	176	2149
			1214	23B.02.020	AMD	20	2
			1301-	23B.02.020	AMD	176	2112
			1304	23B.02.050	AMD	176	2113
			1401-	23B.04.010	AMD	176	2114
			1413	23B.04.020	AMD	176	2115
			1501-	23B.04.030	AMD	176	2116
			1512	23B.05.010	AMD	176	2117
			1601-	23B.05.020	AMD	176	2118
			1606	23B.05.030	AMD	176	2119
			1701-	23B.05.040	AMD	176	2120
			1704	23B.08	ADD	20	5
23.78.020	AMD	176	9101	23B.08.700	AMD	20	3
23.78.030	AMD	176	9102	23B.08.720	AMD	20	4
23.86.030	AMD	176	9103	23B.09.040	AMD	176	2121
23.86.055	AMD	176	9104	23B.09.050	AMD	176	2122
23.86.070	AMD	176	9105	23B.09.060	AMD	176	2123
23.86.095	AMD	176	9106	23B.11.070	AMD	176	2124
23.86.155	REP	176	9121	23B.11.080	AMD	188	110
23.86.210	AMD	176	9107	23B.11.090	AMD	188	111
23.86.220	AMD	176	9108	23B.11.110	AMD	176	2125
23.86.300	REP	176	9121	23B.11.110	AMD	188	112
23.86.310	AMD	176	9109	23B.14.040	AMD	176	2126
23.86.320	REP	176	9121	23B.14.200	AMD	176	2127
23.86.330	AMD	176	9110	23B.14.203	REP	176	2149

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23B.14.210	REP	176	2149	24.03.315	AMD	176	3122
23B.14.220	AMD	176	2128	24.03.320	REP	176	3136
23B.14.390	AMD	176	2129	24.03.325	AMD	176	3123
23B.15.010	AMD	176	2130	24.03.330	REP	176	3136
23B.15.015	REP	176	2149	24.03.335	AMD	176	3124
23B.15.020	AMD	176	2131	24.03.340	AMD	176	3125
23B.15.030	AMD	176	2132	24.03.345	AMD	176	3126
23B.15.040	AMD	176	2133	24.03.350	AMD	176	3127
23B.15.050	AMD	176	2134	24.03.365	AMD	176	3128
23B.15.060	AMD	176	2135	24.03.370	AMD	176	3129
23B.15.070	AMD	176	2136	24.03.375	REP	176	3136
23B.15.080	AMD	176	2137	24.03.380	AMD	176	3130
23B.15.090	AMD	176	2137	24.03.385	REP	176	3136
23B.15.100	AMD	176	2139	24.03.386	REP	176	3136
23B.15.100 23B.15.200	AMD	176	2140	24.03.388	REP	176	3136
23B.15.200 23B.15.300	AMD	176	2140	24.03.390	AMD	176	3131
23B.15.310	REP	176	2149	24.03.395	AMD	176	3131
	AMD	176	2149	24.03.400	REP	176	3136
23B.16.010 23B.16.220						176	3133
	AMD	176	2143	24.03.405	AMD		
23B.18.020	AMD	176	2144	24.03.410	REP	176	3136
23B.18.030	AMD	176	2145	24.03.415	REP	176	3136
23B.18.040	AMD	176	2146	24.03.425	AMD	176	3134
23B.18.050	REP	176	2149	24.03.445	AMD	176	3135
23B.19.020	AMD	176	2147	24.03.450	REP	176	3136
24.03.005	AMD	176	3101	24.06.005	AMD	176	4101
24.03.007	REP	176	3136	24.06.032	AMD	176	4102
24.03.008	REP	176	3136	24.06.045	AMD	176	4103
24.03.017	AMD	176	3102	24.06.046	AMD	176	4104
24.03.045	AMD	176	3103	24.06.047	AMD	176	4105
24.03.046	AMD	176	3104	24.06.048	AMD	176	4106
24.03.047	AMD	176	3105	24.06.050	AMD	176	4107
24.03.048	AMD	176	3106	24.06.055	AMD	176	4108
24.03.050	AMD	176	3107	24.06.060	AMD	176	4109
24.03.055	AMD	176	3108	24.06.170	REP	176	4135
24.03.060	AMD	176	3109	24.06.200	AMD	176	4110
24.03.145	AMD	176	3110	24.06.205	AMD	176	4111
24.03.175	AMD	176	3111	24.06.207	AMD	176	4112
24.03.180	AMD	176	3112	24.06.225	AMD	176	4113
24.03.183	AMD	176	3113	24.06.233	AMD	176	4114
24.03.200	AMD	176	3114	24.06.280	AMD	176	4115
24.03.205	AMD	176	3115	24.06.290	AMD	176	4116
24.03.207	AMD	176	3116	24.06.293	REP	176	4135
24.03.245	AMD	176	3117	24.06.340	AMD	176	4117
24.03.300	AMD	176	3118	24.06.345	AMD	176	4118
24.03.302	AMD	176	3119	24.06.350	AMD	176	4119
24.03.3025	REP	176	3136	24.06.355	REP	176	4135
24.03.303	REP	176	3136	24.06.360	AMD	176	4120
24.03.305	AMD	176	3120	24.06.365	REP	176	4135
24.03.307	REP	176	3136	24.06.370	AMD	176	4121
24.03.310	AMD	176	3121	24.06.375	AMD	176	4122

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24.06.380	AMD	176	4123	25.05.550	AMD	176	5113
24.06.385	AMD	176	4124	25.05.555	AMD	176	5114
24.06.390	AMD	176	4125	25.05.560	AMD	176	5115
24.06.395	AMD	176	4126	25.05.565	AMD	176	5116
24.06.410	AMD	176	4127	25.05.570	REP	176	5122
24.06.415	AMD	176	4128	25.05.580	AMD	176	5117
24.06.420	REP	176	4135	25.05.583	AMD	176	5118
24.06.425	AMD	176	4129	25.05.586	AMD	176	5119
24.06.430	REP	176	4135	25.05.589	AMD	176	5120
24.06.433	REP	176	4135	25.05.902	AMD	176	5121
24.06.435	AMD	176	4130	25.10.011	AMD	176	6101
24.06.440	AMD	176	4131	25.10.040	REP	176	6131
24.06.445	REP	176	4135	25.10.061	AMD	176	6102
24.06.450	AMD	176	4132	25.10.071	AMD	176	6103
24.06.455	REP	176	4135	25.10.121	AMD	176	6104
24.06.460	REP	176	4135	25.10.131	AMD	176	6105
24.06.470	AMD	176	4133	25.10.141	AMD	176	6106
24.06.490	AMD	176	4134	25.10.151	AMD	176	6107
24.06.495	REP	176	4135	25.10.171	REP	176	6131
24.06.915	REP	176	4135	25.10.201	AMD	176	6108
24.12.045	AMD	176	9113	25.10.211	AMD	176	6109
24.12.051	AMD	176	9114	25.10.231	AMD	176	6110
24.12.060	REP	176	9121	25.10.241	AMD	176	6111
24.20.010	AMD	176	9115	25.10.251	AMD	176	6112
24.20.020	AMD	176	9116	25.10.261	AMD	176	6113
24.20.040	REP	176	9121	25.10.271	AMD	176	6114
24.20.050	REP	176	9121	25.10.281	AMD	176	6115
24.24.010	AMD	176	9117	25.10.291	AMD	176	6116
24.24.100	AMD	176	9118	25.10.571	AMD	176	6117
24.24.130	REP	176	9121	25.10.611	AMD	176	6118
24.28.010	AMD	176	9119	25.10.616	AMD	176	6119
24.28.045	REP	176	9121	25.10.641	AMD	176	6120
25.04.716	REP	176	5122	25.10.646	AMD	176	6121
25.05.005	AMD	176	5101	25.10.651	AMD	176	6122
25.05.025	AMD	176	5102	25.10.656	REP	176	6131
25.05.110	AMD	176	5103	25.10.661	AMD	176	6123
25.05.115	AMD	176	5104	25.10.666	AMD	176	6124
25.05.355	AMD	176	5105	25.10.671	AMD	176	6125
25.05.370	AMD	176	5106	25.10.676	REP	176	6131
25.05.375	AMD	188	113	25.10.766	AMD	176	6126
25.05.380	AMD	188	114	25.10.771	AMD	176	6127
25.05.385	AMD	188	115	25.10.781	AMD	188	118
25.05.390	AMD	176	5107	25.10.786	AMD	176	6128
25.05.390	AMD	188	116	25.10.791	AMD	176	6129
25.05.425	AMD	188	117	25.10.916	AMD	176	6130
25.05.500	AMD	176	5108	25.15	ADD	188	1-106
25.05.505	AMD	176	5109	25.15.005	REP	188	108
25.05.530	AMD	176	5110	25.15.007	REP	188	108
					REP	188	108
25.05.533	AMD	176	5111	25.15.010	KEP	100	100

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25.15.020	REP	188	108	25.15.295	REP	188	108
25.15.025	REP	188	108	25.15.298	REP	188	108
25.15.030	REP	188	108	25.15.300	REP	188	108
25.15.035	REP	188	108	25.15.303	REP	188	108
25.15.040	REP	188	108	25.15.310	REP	188	108
25.15.045	REP	188	108	25.15.315	REP	188	108
25.15.050	REP	188	108	25.15.320	REP	188	108
25.15.055	REP	188	108	25.15.325	REP	188	108
25.15.060	REP	188	108	25.15.330	REP	188	108
25.15.070	REP	188	108	25.15.335	REP	188	108
25.15.075	REP	188	108	25.15.340	REP	188	108
25.15.085	REP	188	108	25.15.345	REP	188	108
25.15.090	REP	188	108	25.15.350	REP	188	108
25.15.095	REP	188	108	25.15.355	REP	188	108
25.15.100	REP	188	108	25.15.360	REP	188	108
25.15.105	REP	188	108	25.15.365	REP	188	108
25.15.115	REP	188	108	25.15.366	REP	188	108
25.15.120	REP	188	108	25.15.370	REP	188	108
25.15.125	REP	188	108	25.15.375	REP	188	108
25.15.130	REP	188	108	25.15.380	REP	188	108
25.15.135	REP	188	108	25.15.385	REP	188	108
25.15.140	REP	188	108	25.15.390	REP	188	108
25.15.150	REP	188	108	25.15.395	REP	188	108
25.15.155	REP	188	108	25.15.400	REP	188	108
25.15.160	REP	188	108	25.15.405	REP	188	108
25.15.165	REP	188	108	25.15.410	REP	188	108
25.15.170	REP	188	108	25.15.415	REP	188	108
25.15.175	REP	188	108	25.15.417	REP	188	108
25.15.180	REP	188	108	25.15.419	REP	188	108
25.15.185	REP	188	108	25.15.420	REP	188	108
25.15.190	REP	188	108	25.15.422	REP	188	108
25.15.195	REP	188	108	25.15.423	REP	188	108
25.15.200	REP	188	108	25.15.425	REP	188	108
25.15.205	REP	188	108	25.15.430	REP	188	108
25.15.215	REP	188	108	25.15.435	REP	188	108
25.15.220	REP	188	108	25.15.440	REP	188	108
25.15.225	REP	188	108	25.15.445	REP	188	108
25.15.230	REP	188	108	25.15.450	REP	188	108
25.15.235	REP	188	108	25.15.455	REP	188	108
25.15.245	REP	188	108	25.15.460	REP	188	108
25.15.250	REP	188	108	25.15.465	REP	188	108
25.15.255	REP	188	108	25.15.470	REP	188	108
25.15.260	REP	188	108	25.15.475	REP	188	108
25.15.270	REP	188	108	25.15.480	REP	188	108
25.15.273	REP	188	108	25.15.800	REP	188	108
25.15.275	REP	188	108	25.15.805	REP	188	108
25.15.280	REP	188	108	25.15.810	REP	188	108
25.15.285	REP	188	108	25.15.900	REP	188	108
25.15.290	REP	188	108	25.15.901	REP	188	108
25.15.293	REP	188	108	25.15.902	REP	188	108

RCW		СН.	SEC.	RCW		СН.	SEC.
26.12.250	REP	291	11	26.50.110	AMD	248	1
26.18.190	AMD	124	1	26.50.110	AMD	275	15
26.21A	ADD	214	41-58	27.12.100	AMD	53	3
			60	27.15.020	AMD	53	4
26.21A.010	AMD	214	1	27.15.050	AMD	53	5
26.21A.015	AMD	214	2	27.34.075	AMD	225	23
26.21A.020	AMD	214	3	27.34.330	AMD	3 E3	7014
26.21A.100	AMD	214	4	27.34.410	AMD	225	24
26.21A.105	REP	214	59	27.48.040	AMD	24	1
26.21A.110	AMD	214	5	28A	ADD	277	1-9
26.21A.115	AMD	214	6				11
26.21A.125	AMD	214	7	28A.150	ADD	2	3
26.21A.130	AMD	214	8	28A.150.260	AMD	2	2
26.21A.135	AMD	214	9	28A.150.261	AMD	38 E3	2
26.21A.140	AMD	214	10	28A.150.530	AMD	225	26
26.21A.145	REP	214	59	28A.155.020	AMD	206	2
26.21A.150	AMD	214	11	28A.155.220	AMD	217	2
26.21A.200	AMD	214	12	28A.230	ADD	3 E1	1
26.21A.215	AMD	214	13	28A.300	ADD	211	4,5
26.21A.220	AMD	214	14	28A.300.147	AMD	261	13
26.21A.225	AMD	214	15	28A.300.280	AMD	126	1
26.21A.230	AMD	214	16	28A.300.450	AMD	211	1
26.21A.235	AMD	214	17	28A.300.460	AMD	211	2
26.21A.245	AMD	214	18	28A.300.505	AMD	210	2
26.21A.250	AMD	214	19	28A.300.540	AMD	69	28
26.21A.260	AMD	214	20	28A.315.225	AMD	82	1
26.21A.275	AMD	214	21	28A.315.275	AMD	53	6
26.21A.280	AMD	214	22	28A.320.170	AMD	198	2
26.21A.285	AMD	214	23	28A.320.196	AMD	202	2
26.21A.290	AMD	214	24	28A.320.240	AMD	27	1
26.21A.350	AMD	214	25	28A.320.410	AMD	53	7
26.21A.415	AMD	214	26	28A.323.050	AMD	53	8
26.21A.420	AMD	214	27	28A.335.300	AMD	225	27
26.21A.430	AMD	214	28	28A.343.010	AMD	53	9
26.21A.500	AMD	214	29	28A.343.030	REMD	53	10
26.21A.505	AMD	214	30	28A.343.320	REMD	53	11
26.21A.510	AMD	214	31	28A.343.330	AMD	53	12
26.21A.515	AMD	214	32	28A.343.350	AMD	53	13
26.21A.520	AMD	214	33	28A.343.660	REMD	53	14
26.21A.525	AMD	214	34	28A.343.670	AMD	53	15
26.21A.530	AMD	214	35	28A.345.060	AMD	1 E3	308
26.21A.535	AMD	214	36	28A.410	ADD	3 E1	2
26.21A.540	AMD	214	37	28A.525	ADD	41 E3	201
26.21A.545	AMD	214	38	28A.525.166	AMD	3 E3	7018
26.21A.550	AMD	214	39	28A.525.200	AMD	4 E1	24
26.21A.570	AMD	214	40	28A.525.210	DECD	4 E1	3
26.21A.600	REP	214	59	28A.525.212	DECD	4 E1	3
26.44	ADD	298	2	28A.525.214	DECD	4 E1	3
26.44.030	REMD	6 E		28A.525.216	DECD	4 E1	3
26.50.010	AMD	287	8	28A.525.218	DECD	4 E1	3

RCW		СН.		SEC.	RCW		СН.	SEC.
28A.525.220	DECD	4	E1	3	28B.13.060	DECD	4 E1	8
28A.525.222	DECD	4	E1	3	28B.13.900	DECD	4 E1	8
28A.525.230	DECD	4	E1	3	28B.14.010	DECD	4 E1	8
28A.525.240	DECD	4	E1	3	28B.14.020	DECD	4 E1	8
28A.525.250	DECD	4	E1	3	28B.14.030	DECD	4 E1	8
28A.525.260	DECD	4	E1	3	28B.14.040	DECD	4 E1	8
28A.525.270	DECD	4	E1	3	28B.14.040	RECD	4 E1	58
28A.525.280	DECD	4	E1	3	28B.14.050	DECD	4 E1	8
28A.525.290	DECD	4	E1	3	28B.14.060	DECD	4 E1	8
28A.525.300	DECD	4	E1	3	28B.14B.010	DECD	4 E1	8
28A.535.030	AMD	53		16	28B.14B.020	DECD	4 E1	8
28A.600	ADD	26		3	28B.14B.030	DECD	4 E1	8
28A.600.290	AMD	202		3	28B.14B.040	DECD	4 E1	8
28A.600.310	AMD	202		4	28B.14B.050	DECD	4 E1	8
28A.600.485	AMD	206		3	28B.14B.060	DECD	4 E1	8
28A.630.123	AMD	163		1	28B.14C.010	DECD	4 E1	8
28A.655.061	AMD	42	E3	2	28B.14C.020	DECD	4 E1	8
28A.655.070	AMD	211		3	28B.14C.030	DECD	4 E1	8
28A.655.230	AMD	125		1	28B.14C.040	DECD	4 E1	8
28A.660.045	AMD		E1	3	28B.14C.050	DECD	4 E1	8
28A.660.045	AMD	9	E3	1	28B.14C.060	DECD	4 E1	8
28A.660.050	AMD		E1	4	28B.14C.070	DECD	4 E1	8
28A.660.050	AMD		E3	2	28B.14C.080	DECD	4 E1	8
28B	ADD		E3	1-6	28B.14C.090	DECD	4 E1	8
28B	ADD	92	LJ	1-3	28B.14C.100	DECD	4 E1	8
28B	ADD	215		1-5	28B.14C.110	DECD	4 E1	8
28B.04	ADD	55		101	28B.14C.120	DECD	4 E1	8
28B.06	ADD	55		102	28B.14C.130	DECD	4 E1	8
28B.10	ADD	83		1	28B.14C.140	DECD	4 E1	8
28B.10.025	AMD	55		201	28B.14C.900	DECD	4 E1	8
28B.10.029	AMD	79		1	28B.14D.010	DECD	4 E1	8
28B.10.115	AMD	6		2	28B.14D.020	DECD	4 E1	8
28B.10.280	AMD	55		202	28B.14D.030	DECD	4 E1	8
28B.10.417	AMD	225		28	28B.14D.040	AMD	4 E1	26
28B.10.570	AMD	55		203	28B.14D.050	DECD	4 E1	8
28B.10.571	AMD	55		204	28B.14D.060	DECD	4 E1	8
28B.10.650	AMD	55		205	28B.14D.000	DECD	4 E1	8
28B.10.679	AMD	55		206	28B.14D.070 28B.14D.080	DECD	4 E1	8
28B.10.850	DECD		E1	8		DECD	4 E1	8
28B.10.851	AMD		E1	25	28B.14D.900	DECD	4 E1	8
28B.10.851	RECD		E1	58	28B.14D.950	DECD	4 E1	8
				8				8
28B.10.852 28B.10.853	DECD		E1			DECD	4 E1	
28B.10.854	DECD DECD		E1 E1	8 8	28B.14E.020 28B.14E.030	DECD DECD	4 E1 4 E1	8 8
28B.10.855	DECD		E1	8	28B.14E.040	DECD	4 E1	8
28B.13.010	DECD		E1	8	28B.14E.050	DECD	4 E1	8
28B.13.020	DECD		E1	8	28B.14E.060	DECD	4 E1	8
28B.13.030	DECD		E1	8	28B.14E.950	DECD	4 E1	8
28B.13.040	DECD		E1	8	28B.14F.010	DECD	4 E1	8
28B.13.050	DECD	4	E1	8	28B.14F.020	DECD	4 E1	8

RCW		СН.		SEC.	RCW		СН.		SEC.
28B.14F.030	DECD	4	E1	8	28B.15.543	AMD	55		219
28B.14F.040	DECD	4	E1	8	28B.15.545	AMD	55		220
28B.14F.050	DECD	4	E1	8	28B.15.546	AMD	55		110
28B.14F.060	DECD	4	E1	8	28B.15.558	AMD	55		221
28B.14F.062	DECD	4	E1	8	28B.15.621	AMD	55		222
28B.14F.064	DECD	4	E1	8	28B.15.624	AMD	14		1
28B.14F.066	DECD	4	E1	8	28B.15.740	AMD	55		223
28B.14F.068	DECD	4	E1	8	28B.15.910	AMD	55		224
28B.14F.070	DECD	4	E1	8	28B.15.915	AMD	55		225
28B.14F.072	DECD	4	E1	8	28B.20.060	AMD	6		3
28B.14F.074	DECD	4	E1	8	28B.20.502	AMD	4	E2	1502
28B.14F.076	DECD	4	E1	8	28B.20.502	AMD	71		2
28B.14F.078	DECD	4	E1	8	28B.20.725	AMD	3	E3	7025
28B.14F.950	DECD	4	E1	8	28B.20.744	AMD	3	E3	7043
28B.14F.951	DECD	4	E1	8	28B.20.750	DECD	4	E1	19
28B.14F.952	DECD	4	E1	8	28B.20.751	DECD	4	E1	19
28B.14G.010	DECD	4	E1	8	28B.20.752	DECD	4	E1	19
28B.14G.020	DECD	4	E1	8	28B.20.753	DECD	4	E1	19
28B.14G.030	DECD	4	E1	8	28B.20.754	DECD	4	E1	19
28B.14G.040	DECD	4	E1	8	28B.20.755	DECD	4	E1	19
28B.14G.050	DECD	4	E1	8	28B.20.756	DECD	4	E1	19
28B.14G.060	DECD	4	E1	8	28B.20.757	DECD	4	E1	19
28B.14G.070	DECD	4	E1	8	28B.20.758	DECD	4	E1	19
28B.14G.080	DECD	4	E1	8	28B.20.759	DECD	4	E1	19
28B.14G.900	DECD	4	E1	8	28B.30	ADD	6		1
28B.14G.950	DECD	4	E1	8	28B.30.600	DECD	4	E1	20
28B.15	ADD	143		1	28B.30.602	DECD	4	E1	20
28B.15.012	REMD	8	E3	1	28B.30.604	DECD	4	E1	20
28B.15.012	AMD	55		207	28B.30.606	DECD	4	E1	20
28B.15.014	AMD	55		208	28B.30.608	DECD	4	E1	20
28B.15.025	AMD	55		209	28B.30.610	DECD	4	E1	20
28B.15.031	AMD	36	E3	1	28B.30.612	DECD	4	E1	20
28B.15.041	AMD	55		210	28B.30.614	DECD	4	E1	20
28B.15.066	AMD	36	E3	2	28B.30.616	DECD	4	E1	20
28B.15.067	AMD	36	E3	3	28B.30.618	DECD	4	E1	20
28B.15.067	AMD	55		211	28B.30.619	DECD	4	E1	20
28B.15.068	REP	36	E3	12	28B.30.620	DECD	4	E1	20
28B.15.069	AMD	4	E3	945	28B.30.750	AMD	3	E3	7028
28B.15.069	AMD	36	E3	5	28B.31.010	DECD	4	E1	20
28B.15.069	AMD	55		212	28B.31.020	DECD	4	E1	20
28B.15.100	AMD	55		213	28B.31.030	DECD	4	E1	20
28B.15.102	REP		E3	12	28B.31.050	DECD	4	E1	20
28B.15.210	AMD		E3	7027	28B.31.060	DECD	4	E1	20
28B.15.310	AMD	3	E3	7026	28B.31.070	DECD	4	E1	20
28B.15.380	AMD	46	-	1	28B.31.080	DECD	4	E1	20
28B.15.385	AMD	55		214	28B.31.090	DECD	4	E1	20
28B.15.395	AMD	55		215	28B.31.100	DECD	4	E1	20
28B.15.515	REMD	55		216	28B.35.370	AMD		E3	7029
28B.15.520	AMD	55		217	28B.50.030	AMD	55		226
28B.15.522	AMD	55		218	28B.50.140	AMD		E3	946
-01.10.022	. 11,110	55		210	201.50.170	111111	7		740

RCW		СН.		SEC.	RC	cw		СН.		SEC.
28B.50.1401	AMD	55		111	28B	3.57.020	DECD	4	E1	4
28B.50.1402	AMD	55		112	28B	3.57.020	DECD	55		104
28B.50.1403	AMD	55		113	28B	3.57.030	DECD	4	E1	4
28B.50.1404	AMD	55		114	28B	3.57.030	DECD	55		104
28B.50.1405	AMD	55		115	28B	3.57.040	DECD	4	E1	4
28B.50.1406	AMD	55		116		3.57.040	DECD	55		104
28B.50.256	AMD	55		117		3.57.060	DECD	4	E1	4
28B.50.285	AMD	55		118		3.57.060	DECD	55		104
28B.50.301	DECD	55		119		3.57.070	DECD		E1	4
28B.50.302	DECD	55		119		3.57.070	DECD	55		104
28B.50.327	AMD	55		120		3.57.080	DECD	4	E1	4
28B.50.360	AMD	3	E3	7030		3.57.080	DECD	55		104
28B.50.401	DECD	4	E1	4		3.57.090	DECD	4	E1	4
28B.50.402	DECD	4	E1	4		3.57.090	DECD	55		104
28B.50.403	DECD	4	E1	4		3.57.100	DECD		E1	4
28B.50.404	DECD	4	E1	4		3.57.100	DECD	55		104
28B.50.405	DECD	4	E1	4		3.58.010	DECD	4	E1	4
28B.50.406	DECD	4	E1	4		3.58.010	DECD	55	LI	105
28B.50.407	DECD	4	E1	4		3.58.020	DECD	4	E1	4
28B.50.455	AMD	55	LI	227		3.58.020	DECD	55	LI	105
28B.50.482	AMD	55		121		3.58.020 3.58.030	DECD		E1	4
28B.50.534	AMD	55		121		3.58.030	DECD	55	ы	105
	AMD	55		228				4	E1	4
28B.50.850				228		3.58.040	DECD DECD	55	EI	105
28B.50.851	AMD	55				3.58.040		4	E1	
28B.50.862	AMD	55		230		3.58.050	DECD	55	E1	4
28B.50.914	DECD	55		123		3.58.050	DECD		E1	105 4
28B.50.915	DECD	55		123		3.58.060	DECD		E1	
28B.50.917	DECD	55	Е1	124		3.58.060	DECD	55	г.	105
28B.56.010	DECD		E1	4		3.58.070	DECD		E1	4
28B.56.010	DECD	55	Г1	103		3.58.070	DECD	55	Г1	105
28B.56.020	DECD	4	E1	4		3.58.080	DECD	4	E1	4
28B.56.020	DECD	55	Е1	103		3.58.080	DECD	55	г.	105
28B.56.040	DECD		E1	4		3.58.090	DECD		E1	4
28B.56.040	DECD	55		103		3.58.090	DECD	55		105
28B.56.050	DECD		E1	4		3.59.010	DECD		E1	4
28B.56.050	DECD	55		103		3.59.010	DECD	55		106
28B.56.070	DECD	4	E1	4		3.59.020	DECD	4	E1	4
28B.56.070	DECD	55		103		3.59.020	DECD	55		106
28B.56.080	DECD		E1	4		3.59.030	DECD		E1	4
28B.56.080	DECD	55		103		3.59.030	DECD	55		106
28B.56.090	DECD		E1	4		3.59.040	DECD		E1	4
28B.56.090	DECD	55		103	28B	3.59.040	DECD	55		106
28B.56.100	DECD		E1	4		3.59.050	DECD		E1	4
28B.56.100	DECD	55		103		3.59.050	DECD	55		106
28B.56.110	DECD	4	E1	4		3.59.060	DECD		E1	4
28B.56.110	DECD	55		103	28B	3.59.060	DECD	55		106
28B.56.120	DECD		E1	4		3.59.070	DECD		E1	4
28B.56.120	DECD	55		103	28B	3.59.070	DECD	55		106
28B.57.010	DECD	4	E1	4	28B	3.59.080	DECD	4	E1	4
28B.57.010	DECD	55		104	28B	3.59.080	DECD	55		106

RCW		СН.		SEC.	RCW		CH.	SEC.
28B.59.090	DECD		E1	4	28B.77.020	AMD	83	2
28B.59.090	DECD	55		106	28B.77.100	AMD	244	2
28B.59B.010	DECD	4	E1	4	28B.92	ADD	36 E3	4
28B.59B.010	DECD	55		107	28B.92.005	AMD	212	1
28B.59B.020	DECD	4	E1	4	28B.92.080	AMD	121	1
28B.59B.020	DECD	55		107	28B.95.020	AMD	36 E3	6
28B.59B.030	DECD	4	E1	4	28B.95.020	REMD	202	5
28B.59B.030	DECD	55		107	28B.95.030	AMD	36 E3	7
28B.59B.040	DECD	4	E1	4	28B.95.030	REMD	202	6
28B.59B.040	DECD	55		107	28B.106.005	DECD	4 E1	8
28B.59B.050	DECD	4	E1	4	28B.106.010	DECD	4 E1	8
28B.59B.050	DECD	55		107	28B.106.020	DECD	4 E1	8
28B.59B.060	DECD	4	E1	4	28B.106.030	DECD	4 E1	8
28B.59B.060	DECD	55		107	28B.106.040	DECD	4 E1	8
28B.59B.070	DECD	4	E1	4	28B.106.050	DECD	4 E1	8
28B.59B.070	DECD	55		107	28B.106.060	DECD	4 E1	8
28B.59B.080	DECD	4	E1	4	28B.106.070	DECD	4 E1	8
28B.59B.080	DECD	55		107	28B.106.080	DECD	4 E1	8
28B.59B.090	DECD	4	E1	4	28B.106.901	DECD	4 E1	8
28B.59B.090	DECD	55		107	28B.106.902	DECD	4 E1	8
28B.59C.010	DECD	4	E1	4	28B.110.030	AMD	92	6
28B.59C.010	DECD	55		108	28B.115.070	AMD	4 E3	947
28B.59C.020	DECD	4	E1	4	28B.118	ADD	244	5-7
28B.59C.020	DECD	55		108	28B.118.010	AMD	36 E3	8
28B.59C.030	DECD	4	E1	4	28B.118.010	REMD	244	3
28B.59C.030	DECD	55		108	28B.118.040	AMD	244	4
28B.59C.040	DECD	4	E1	4	28B.122.010	AMD	218	1
28B.59C.040	DECD	55		108	28C.04.535	AMD	4 E3	948
28B.59C.050	DECD	4	E1	4	29A.04.321	AMD	146	1
28B.59C.050	DECD	55		108	29A.04.330	AMD	146	2
28B.59C.060	DECD	4	E1	4	29A.32.040	AMD	171	1
28B.59C.060	DECD	55		108	29A.32.060	AMD	171	2
28B.59C.070	DECD	4	E1	4	29A.32.280	AMD	146	3
28B.59C.070	DECD	55		108	29A.36.071	AMD	172	3
28B.59C.080	DECD	4	E1	4	29A.60.190	REMD	146	4
28B.59C.080	DECD	55		108	29A.72.010	AMD	72	10
28B.59D.010	DECD	4	E1	4	30A.08.025	AMD	188	119
28B.59D.010	DECD	55		109	31.04	ADD	229	25,26
28B.59D.020	DECD	4	E1	4	31.04.015	AMD	229	19
28B.59D.020	DECD	55		109	31.04.025	REMD	229	20
28B.59D.030	DECD	4	E1	4	31.04.027	AMD	229	21
28B.59D.030	DECD	55		109	31.04.045	AMD	229	22
28B.59D.040	DECD		E1	4	31.04.075	AMD	229	23
28B.59D.040	DECD	55		109	31.04.093	AMD	229	24
28B.59D.050	DECD		E1	4	31.04.102	AMD	229	27
28B.59D.050	DECD	55		109	31.04.105	AMD	229	28
28B.59D.060	DECD	4	E1	4	31.04.145	AMD	229	29
28B.59D.060	DECD	55	-	109	31.04.205	AMD	229	30
28B.59D.070	DECD	4	E1	4	31.04.221	AMD	229	31
28B.59D.070	DECD	55	-	109	31.04.224	AMD	229	32

RCW		СН.	SEC.	RCW		СН.	SEC.
31.04.247	AMD	229	33	35.17.400	AMD	53	31
31.04.277	AMD	229	34	35.18.020	AMD	53	32
31.04.290	AMD	229	35	35.20.100	AMD	53	33
31.04.520	AMD	229	36	35.20.270	AMD	288	3
31.12	ADD	114	18	35.21	ADD	15 E3	3
31.12.005	AMD	114	1	35.21	ADD	187	1
31.12.195	AMD	114	2	35.21	ADD	288	1
31.12.225	AMD	114	3	35.21	ADD	297	1
31.12.255	AMD	123	1	35.21.203	AMD	53	34
31.12.285	AMD	114	4	35.21.779	AMD	225	29
31.12.326	AMD	114	5	35.21.900	AMD	4 E1	27
31.12.345	AMD	114	6	35.21.930	AMD	93	1
31.12.365	AMD	123	2	35.22.055	AMD	53	35
31.12.367	AMD	114	7	35.22.200	AMD	53	36
31.12.372	AMD	114	8	35.22.235	AMD	53	37
31.12.404	AMD	114	9	35.22.245	AMD	53	38
31.12.413	AMD	114	10	35.23.051	AMD	53	39
31.12.418	AMD	123	3	35.23.805	AMD	53	40
31.12.416	AMD	114	11	35.23.850	AMD	53	41
31.12.436	AMD	123	4	35.30.080	AMD	53	42
31.12.450	AMD	114	12	35.57.080	AMD	79	2
31.12.461	AMD	114	13	35.58.2796	AMD	11 E3	2
31.12.404	AMD	114	13	35.61.030	AMD	53	43
						53	43 44
31.12.516	AMD	114	15	35.61.050	AMD		
31.12.545	AMD	114	16	35.61.270	AMD	53	45
31.12.575	AMD	114	17	35.68.076 35.91	AMD ADD	225 96	30
31.12.585	AMD	114	19				1
31.12.595	AMD	114	20	35.95A.100	AMD	53	46
31.12.674	AMD	114	21	35.101.010	AMD	131	1
32.08.025	AMD	188	120	35A.02.025	AMD	53	47
34.05.030	AMD	1 E3		35A.02.050	AMD	53	48
34.05.610	AMD	11 E2		35A.02.060	AMD	53	49
34.05.655	AMD	11 E2		35A.07.050	AMD	53	50
34.12.100	AMD	1 E3		35A.08.100	AMD	53	51
35.02.078	AMD	53	17	35A.12.040	AMD	53	52
35.02.100	AMD	53	18	35A.12.180	AMD	53	53
35.02.139	AMD	53	19	35A.14.050	AMD	53	54
35.06.080	AMD	53	20	35A.21	ADD	15 E3	4
35.07.050	AMD	53	21	35A.21	ADD	288	2
35.10.410	AMD	53	22	35A.21	ADD	297	2
35.10.420	AMD	53	23	35A.29.120	AMD	53	55
35.13.060	AMD	53	24	35A.29.130	AMD	53	56
35.13.080	AMD	53	25	35A.29.180	AMD	53	57
35.13.090	AMD	53	26	35A.40.050	AMD	4 E1	28
35.13A	ADD	172	1,2	35A.42.050	AMD	53	58
35.16.030	AMD	53	27	35A.56.010	AMD	53	59
35.16.050	AMD	53	28	35A.65.010	AMD	225	31
35.17.260	AMD	53	29	35A.79.020	AMD	4 E1	29
35.17.260	AMD	146	5	36	ADD	24 E31	
35.17.310	AMD	53	30			3	01-305

RCW		CH.	SEC.	RCW		CH.	SEC.
			401	37.14.020	DECD	4 E	1 10
			501,502	37.14.030	DECD	4 E	
			601	37.14.040	DECD	4 E	
36	ADD	44	E3301-307	37.14.050	DECD	4 E	
36.01	ADD	15	E3 5	37.14.900	DECD	4 E	1 10
36.01	ADD	297	3	38.20.010	AMD	36	1
36.01.050	AMD	138	1	38.52	ADD	224	6,7
36.16	ADD	95	3	38.52.010	AMD	61	1
36.16.020	AMD	53	60	38.52.020	AMD	61	2
36.16.030	AMD	53	61	38.52.030	AMD	61	3
36.16.140	REMD	95	2	38.52.040	REMD	274	17
36.18.010	AMD	28	E3 1	38.52.540	AMD	4 E	3 949
36.18.016	AMD	265	27	39.04	ADD	144	3
36.18.016	AMD	275	11	39.04.155	AMD	225	33
36.18.020	AMD	265	28	39.04.190	AMD	79	4
36.18.040	AMD	265	29	39.04.220	AMD	225	34
36.22	ADD	56	1	39.04.290	AMD	225	35
36.22.220	AMD	53	62	39.04.310	AMD	48	1
36.28A.070	AMD	1	E3 405	39.04.320	AMD	40 E	3 1
36.28A.070	AMD	225	32	39.04.320	AMD	225	36
36.28A.320	AMD	3	E2 16	39.04.330	AMD	225	37
36.28A.330	AMD	3	E2 17	39.04.370	AMD	225	38
36.28A.370	AMD	3	E2 18	39.04.380	AMD	225	39
36.28A.390	AMD	3	E2 19	39.04.390	REP	72	11
36.32.030	AMD	53	63	39.10.440	AMD	173	1
36.32.0558	AMD	53	64	39.12.026	AMD	40 E	3 2
36.32.070	AMD	53	65	39.24.050	AMD	225	40
36.32.080	AMD	74	1	39.26.010	REMD	79	5
36.32.080	AMD	179	1	39.26.070	AMD	79	6
36.32.090	AMD	74	2	39.26.200	AMD	44	1
36.34.060	AMD	95	4	39.26.251	AMD	79	7
36.34.080	AMD	95	5	39.26.255	AMD	79	8
36.34.090	AMD	95	6	39.26.271	AMD	79	9
36.35.120	AMD	95	7	39.30.050	AMD	225	41
36.57A	ADD	44	E3313,314	39.32.020	AMD	225	42
			317	39.32.040	AMD	225	43
36.69.070	AMD	53	66	39.32.060	AMD	225	44
36.69.090	AMD	53	67	39.34.030	AMD	232	1
36.70A.035	AMD	25	1	39.35.010	AMD	19 E	
36.70A.070	AMD	241	2	39.35.020	AMD	19 E	
36.73.015	AMD	44	E3 311	39.35.030	REMD	19 E	
36.73.065	AMD	44	E3 309	39.35.040	AMD	19 E	
36.79.140	REMD	223	2	39.35.060	AMD	225	45
36.82.070	AMD	223	1	39.35A.050	AMD	225	46
36.94.150	AMD	41	1	39.35B.040	AMD	225	47
36.100.040	AMD	24	E3 702	39.35C.050	AMD	79	10
36.100.040	AMD	151	1	39.35C.090	AMD	79	11
36.100.190	AMD	79	3	39.36.050	AMD	53	69
36.105.050	AMD	53	68	39.59.010	AMD	225	50
37.14.010	DECD		E1 10	40.24.070	AMD	190	2
57.11.010	DLCD	-7	_1 10	10.27.070	111111	170	_

RCW		СН.	SEC.	RCW		СН.	SEC.
41.04.017	AMD	225	51	42.56.400	REMD	122	13
41.04.220	AMD	225	52	42.56.400	AMD	122	14
41.04.340	REMD	1 E3	311	42.56.590	AMD	64	3
41.04.375	AMD	225	53	43	ADD	34 E3	1-10
41.04.665	AMD	1 E3	312	43	ADD	37 E3	1-5
41.04.680	AMD	1 E3	313	43.01.090	AMD	225	56
41.05	ADD	23	2	43.01.091	AMD	225	57
41.05	ADD	147	1,2	43.01.240	AMD	225	58
41.05	ADD	213	2	43.01.250	AMD	225	59
41.05	ADD	251	1	43.01.900	AMD	225	60
41.05.009	AMD	116	1	43.03.011	AMD	1 E1	1
41.05.011	AMD	116	2	43.03.012	AMD	1 E1	2
41.05.065	AMD	116	3	43.03.013	AMD	1 E1	3
41.05.066	AMD	116	4	43.03.040	AMD	1 E3	319
41.05.080	REMD	116	5	43.06	ADD	207	1,2
41.05.095	AMD	116	6	43.06	ADD	245	2
41.05.195	AMD	116	7	43.06.013	AMD	1 E3	320
41.05.550	AMD	161	1	43.06A.100	AMD	199	2
41.06.020	REMD	1 E3	314	43.07.120	AMD	176	8101
41.06.094	AMD	225	54	43.07.130	AMD	176	8102
41.06.157	AMD	1 E3	315	43.07.140	AMD	53	70
41.06.167	AMD	1 E3	316	43.08.190	AMD	4 E3	953
41.07.020	AMD	1 E3	107	43.09.475	AMD	4 E3	954
41.16.040	AMD	4 E1	30	43.15.020	AMD	225	61
41.26.510	AMD	78	1	43.17.050	AMD	225	62
41.26.802	AMD	4 E3	950	43.17.100	AMD	225	63
41.40.037	AMD	75	1	43.17.400	AMD	225	64
41.50.110	REMD	4 E3	951	43.19	ADD	1 E3	325
41.56.030	AMD	6 E2	1	43.19.1919	AMD	79	12
41.60.050	AMD	4 E3	952	43.19.501	AMD	3 E3	7031
41.80.020	AMD	1 E3	318	43.19.520	REP	79	13
42.17A.110	REEN	225	55	43.19.525	REP	79	13
42.17A.235	AMD	54	1	43.19.533	REP	79	13
42.17A.705	AMD	1 E3	317	43.19.642	AMD	10 E1	701
42.17A.705	AMD	1 E3	406	43.19.647	AMD	225	65
42.52	ADD	45	1	43.19.651	AMD	225	66
42.52.150	AMD	20 E3	7	43.19.670	AMD	225	67
42.52.150	AMD	45	2	43.19.682	AMD	225	68
42.56	ADD	4 E2	1002	43.19.691	AMD	225	69
42.56	ADD	70	22	43.19.757	AMD	225	70
42.56	ADD	71	4	43.19.791	REP	1 E3	506
42.56.230	AMD	47	1	43.19.794	AMD	1 E3	407
42.56.230	AMD	224	2	43.19A.022	AMD	225	71
42.56.240	REMD	91	1	43.19A.040	AMD	225	72
42.56.240	REMD	224	3	43.21C	ADD	10 E3	2
42.56.260	AMD	150	1	43.21C	ADD	144	1
42.56.270	REMD	274	24	43.21F.045	AMD	225	73
42.56.330	REMD	224	4	43.30	ADD	182	1
42.56.400	REMD	17	10	43.31	ADD	241	4
42.56.400	AMD	17	11	43.31.956	DECD	4 E1	13
12.50.700	111111	1/	11	15.51.750	DLCD	1 1/1	13

RCW		CH.	SEC.	RCW		СН.	SEC.
43.31.960	DECD	4 E1	13	43.41A.090	RECD	1 E3	222
43.31.962	DECD	4 E1	13	43.41A.095	AMD	1 E3	215
43.31.964	DECD	4 E1	13	43.41A.095	RECD	1 E3	222
43.34.090	AMD	225	74	43.41A.100	RECD	1 E3	222
43.41	ADD	1 E3	222	43.41A.105	AMD	1 E3	216
		5	02-504	43.41A.105	RECD	1 E3	222
43.41	ADD	204	3	43.41A.110	RECD	1 E3	221
43.41.113	AMD	1 E3	321	43.41A.115	RECD	1 E3	221
43.41.130	RECD	1 E3	325	43.41A.120	REP	1 E3	224
43.41.140	RECD	1 E3	325	43.41A.125	DECD	1 E3	223
43.41.150	RECD	1 E3	325	43.41A.130	AMD	1 E3	217
43.41.190	REP	1 E3	326	43.41A.130	RECD	1 E3	221
43.41.195	REP	1 E3	326	43.41A.135	RECD	1 E3	221
43.41.370	RECD	1 E3	325	43.41A.140	AMD	1 E3	218
43.41.380	RECD	1 E3	325	43.41A.140	RECD	1 E3	221
43.41A.003	AMD	1 E3	101	43.41A.150	AMD	1 E3	219
43.41A.003	RECD	1 E3	221	43.41A.150	RECD	1 E3	221
43.41A.006	REP	1 E3	224	43.41A.152	AMD	1 E3	220
43.41A.010	AMD	1 E3	201	43.41A.152	RECD	1 E3	221
43.41A.010	RECD	1 E3	221	43.41A.900	RECD	1 E3	221
43.41A.015	REP	1 E3	224	43.43	ADD	111	1
43.41A.020	REP	1 E3	224	43.43	ADD	181	4
43.41A.025	AMD	1 E3	108	43.43.285	AMD	78	2
43.41A.025	RECD	1 E3	221	43.43.395	AMD	3 E2	11
43.41A.027	AMD	1 E3	202	43.43.690	AMD	265	30
43.41A.027	RECD	1 E3	221	43.43.754	AMD	261	10
43.41A.030	AMD	1 E3	203	43.43.7541	AMD	265	31
43.41A.030	RECD	1 E3	221	43.43.839	AMD	4 E3	955
43.41A.035	AMD	1 E3	204	43.43.934	AMD	43	1
43.41A.035	RECD	1 E3	221	43.43.960	AMD	181	2
43.41A.040	AMD	1 E3	205	43.43.961	AMD	181	3
43.41A.040	RECD	1 E3	221	43.52.560	AMD	73	1
43.41A.045	AMD	1 E3	206	43.59	ADD	243	1
43.41A.045	RECD	1 E3	221	43.60A	ADD	216	1
43.41A.050	AMD	1 E3	207	43.60A.080	AMD	219	1
43.41A.050	RECD	1 E3	221	43.70.054	AMD	1 E3	408
43.41A.055	AMD	1 E3	208	43.70.110	REMD	77	1
43.41A.055	RECD	1 E3	221	43.70.320	AMD	70	39
43.41A.060	AMD	1 E3	209	43.70.442	AMD	249	1
43.41A.060	RECD	1 E3	221	43.70.900	AMD	4 E1	31
43.41A.065	AMD	1 E3	210	43.71	ADD	33 E3	2
43.41A.065	RECD	1 E3	221	43.71.030	AMD	33 E3	1
43.41A.070	AMD	1 E3	211	43.71.090	AMD	33 E3	3
43.41A.070	RECD	1 E3	221	43.75.200	DECD	4 E1	17
43.41A.075	AMD	1 E3	212	43.75.205	DECD	4 E1	17
43.41A.075	RECD	1 E3	221	43.75.215	DECD	4 E1	17
43.41A.080	AMD	1 E3	213	43.75.225	DECD	4 E1	32
43.41A.080	RECD	1 E3	221	43.75.225	RECD	4 E1	58
43.41A.085	AMD	1 E3	214	43.75.230	DECD	4 E1	17
43.41A.085	RECD	1 E3	222	43.75.235	DECD	4 E1	17
		. 23		.5., 5.255			

RCW		СН.	SEC.	RCW		СН.	SEC.
43.75.900	DECD	4 E1	17	43.83.138	DECD	4 E1	12
43.75.910	DECD	4 E1	17	43.83.140	DECD	4 E1	12
43.79	ADD	2 E3	1	43.83.142	DECD	4 E1	12
43.79	ADD	44 E3	423	43.83.142	AMD	225	81
43.79.480	AMD	4 E3	956	43.83.144	DECD	4 E1	12
43.82.010	AMD	99	1	43.83.146	DECD	4 E1	12
43.82.035	AMD	225	75	43.83.148	DECD	4 E1	12
43.82.055	AMD	1 E3	301	43.83.150	DECD	4 E1	12
43.82.055	AMD	225	76	43.83.152	DECD	4 E1	12
43.82.130	AMD	225	77	43.83.154	DECD	4 E1	12
43.82.150	AMD	1 E3	302	43.83.156	DECD	4 E1	12
43.83	ADD	4 E1	58	43.83.156	AMD	225	82
43.83.010	DECD	4 E1	12	43.83.158	DECD	4 E1	12
43.83.020	AMD	4 E1	33	43.83.160	DECD	4 E1	12
43.83.030	DECD	4 E1	12	43.83.162	DECD	4 E1	12
43.83.040	DECD	4 E1	12	43.83.164	DECD	4 E1	12
43.83.050	DECD	4 E1	12	43.83.166	DECD	4 E1	12
43.83.060	DECD	4 E1	12	43.83.168	DECD	4 E1	12
43.83.062	DECD	4 E1	12	43.83.170	DECD	4 E1	12
		4 E1	12		DECD	4 E1	12
43.83.064	DECD DECD			43.83.172 43.83.174	DECD	4 E1	12
43.83.066			12				
43.83.068	DECD	4 E1	12	43.83.176	DECD		12
43.83.070	DECD	4 E1	12	43.83.176	AMD	225	83
43.83.074	DECD	4 E1	12	43.83.178	DECD	4 E1	12
43.83.076	DECD	4 E1	12	43.83.180	DECD	4 E1	12
43.83.078	DECD	4 E1	12	43.83.182	DECD	4 E1	12
43.83.082	DECD	4 E1	12	43.83.184	DECD	4 E1	12
43.83.084	DECD	4 E1	12	43.83.186	DECD	4 E1	12
43.83.090	DECD	4 E1	12	43.83.188	DECD	4 E1	12
43.83.094	DECD	4 E1	12	43.83.188	AMD	225	84
43.83.096	DECD	4 E1	12	43.83.190	DECD	4 E1	12
43.83.098	DECD	4 E1	12	43.83.192	DECD	4 E1	12
43.83.102	DECD	4 E1	12	43.83.194	DECD	4 E1	12
43.83.104	DECD	4 E1	12	43.83.196	DECD	4 E1	12
43.83.110	DECD	4 E1	12	43.83.198	DECD	4 E1	12
43.83.112	DECD	4 E1	12	43.83.200	DECD	4 E1	12
43.83.114	DECD	4 E1	12	43.83.202	DECD	4 E1	12
43.83.116	DECD	4 E1	12	43.83.202	AMD	225	85
43.83.116	AMD	225	78	43.83.204	DECD	4 E1	12
43.83.118	DECD	4 E1	12	43.83.206	DECD	4 E1	12
43.83.120	DECD	4 E1	12	43.83.208	DECD	4 E1	12
43.83.120	AMD	225	79	43.83.210	DECD	4 E1	12
43.83.122	DECD	4 E1	12	43.83A.010	DECD	4 E1	21
43.83.124	DECD	4 E1	12	43.83A.020	DECD	4 E1	21
43.83.126	DECD	4 E1	12	43.83A.030	AMD	4 E1	34
43.83.130	DECD	4 E1	12	43.83A.030	RECD	4 E1	58
43.83.132	DECD	4 E1	12	43.83A.040	DECD	4 E1	21
43.83.134	DECD	4 E1	12	43.83A.050	DECD	4 E1	21
43.83.136	DECD	4 E1	12	43.83A.060	DECD	4 E1	21
43.83.136	AMD	225	80	43.83A.070	DECD	4 E1	21

RCW		СН.	SEC.	RCW		CH.	SEC.
43.83A.080	DECD	4 E1	21	43.83H.110	DECD	4 E1	16
43.83A.090	DECD	4 E1	21	43.83H.120	DECD	4 E1	16
43.83A.100	DECD	4 E1	21	43.83H.130	DECD	4 E1	16
43.83A.110	DECD	4 E1	21	43.83H.140	DECD	4 E1	16
43.83A.900	DECD	4 E1	21	43.83H.150	DECD	4 E1	16
43.83B.010	DECD	4 E1	23	43.83H.160	DECD	4 E1	16
43.83B.020	DECD	4 E1	23	43.83H.162	DECD	4 E1	16
43.83B.030	DECD	4 E1	23	43.83H.164	DECD	4 E1	16
43.83B.040	DECD	4 E1	23	43.83H.166	DECD	4 E1	16
43.83B.050	DECD	4 E1	23	43.83H.168	DECD	4 E1	16
43.83B.060	DECD	4 E1	23	43.83H.170	DECD	4 E1	16
43.83B.070	DECD	4 E1	23	43.83H.172	DECD	4 E1	16
43.83B.080	DECD	4 E1	23	43.83H.174	DECD	4 E1	16
43.83B.090	DECD	4 E1	23	43.83H.176	DECD	4 E1	16
43.83B.100	DECD	4 E1	23	43.83H.178	DECD	4 E1	16
43.83B.110	DECD	4 E1	23	43.83H.180	DECD	4 E1	16
43.83B.355	DECD	4 E1	23	43.83H.182	DECD	4 E1	16
43.83B.365	DECD	4 E1	23	43.83H.184	DECD	4 E1	16
43.83B.370	DECD	4 E1	23	43.83H.186	DECD	4 E1	16
43.83B.375	DECD	4 E1	23	43.83H.188	DECD	4 E1	16
43.83C.010	DECD	4 E1	14	43.83H.190	DECD	4 E1	16
43.83C.020	DECD	4 E1	14	43.83H.192	DECD	4 E1	16
43.83C.040	DECD	4 E1	14	43.83H.194	DECD	4 E1	16
43.83C.050	DECD	4 E1	14	43.83H.900	DECD	4 E1	16
43.83C.060	DECD	4 E1	14	43.83H.910	DECD	4 E1	16
43.83C.070	DECD	4 E1	14	43.83H.912	DECD	4 E1	16
43.83C.080	DECD	4 E1	14	43.83H.914	DECD	4 E1	16
43.83C.090	DECD	4 E1	14	43.83H.915	DECD	4 E1	16
43.83C.100	DECD	4 E1	14	43.83I.010	DECD	4 E1	5
43.83C.110	DECD	4 E1	14	43.831.020	DECD	4 E1	5
43.83D.010	DECD	4 E1	16	43.831.030	DECD	4 E1	5
43.83D.020	DECD	4 E1	16	43.831.040	AMD	4 E1	37
43.83D.030	DECD	4 E1	16	43.831.040	RECD	4 E1	58
43.83D.040	DECD	4 E1	16	43.831.050	DECD	4 E1	5
43.83D.050	DECD	4 E1	16	43.831.060	DECD	4 E1	5
43.83D.060	DECD	4 E1	16	43.83I.100	DECD	4 E1	5
43.83D.070	DECD	4 E1	16	43.83I.110	DECD	4 E1	5
43.83D.080	DECD	4 E1	16	43.831.120	DECD	4 E1	5
43.83D.090	DECD	4 E1	16	43.83I.130	DECD	4 E1	5
43.83D.100	DECD	4 E1	16	43.83I.140	DECD	4 E1	5
43.83D.110	DECD	4 E1	16	43.831.150	DECD	4 E1	5
43.83D.110 43.83D.120	AMD	4 E1	35	43.83I.160	DECD	4 E1	5
43.83H.010	DECD	4 E1	16	43.83I.162	DECD	4 E1	5
43.83H.020	DECD	4 E1	16	43.83I.164	DECD	4 E1	5
43.83H.030	AMD	4 E1	36	43.83I.168	DECD	4 E1	5
43.83H.030	RECD	4 E1	58	43.83I.108 43.83I.170	DECD	4 E1	5
		4 E1 4 E1	38 16			4 E1 4 E1	5
43.83H.040 43.83H.050	DECD DECD	4 E1 4 E1	16	43.83I.172 43.83I.174	DECD DECD	4 E1 4 E1	5
43.83H.060		4 E1 4 E1		43.83I.174 43.83I.176		4 E1 4 E1	5
43.83H.100	DECD		16		DECD		
45.83H.100	DECD	4 E1	16	43.83I.178	DECD	4 E1	5

RCW		СН.		SEC.	RCW		СН.	SEC.
43.83I.180	DECD	4	E1	5	43.99B.01	0 DECD	4 E1	14
43.83I.182	DECD	4	E1	5	43.99B.01	2 DECD	4 E1	14
43.83I.184	DECD	4	E1	5	43.99B.01	4 DECD	4 E1	14
43.83I.186	DECD	4	E1	5	43.99B.01	6 DECD	4 E1	14
43.83I.188	DECD	4	E1	5	43.99B.01	8 DECD	4 E1	14
43.83I.190	DECD	4	E1	5	43.99B.02		4 E1	14
43.83I.192	DECD		E1	5	43.99B.02		4 E1	14
43.83I.194	DECD		E1	5	43.99B.02		4 E1	14
43.83I.900	DECD		E1	5	43.99B.02		4 E1	14
43.83I.910	DECD		E1	5	43.99B.02		4 E1	14
43.83I.912	DECD		E1	5	43.99B.03		4 E1	14
43.83I.914	DECD		E1	5	43.99B.03		4 E1	14
43.83I.915	DECD		E1	5	43.99B.03		4 E1	14
43.84.092	REMD		E3	3	43.99B.03		4 E1	14
43.84.092	REMD		E3	4	43.99B.03		4 E1	14
43.84.092	REMD		E3	107	43.99B.04		4 E1	14
43.84.092	REMD		E3	108	43.99B.04		4 E1	14
43.88.090	AMD		E3	409	43.99C.01		4 E1	7
43.88.090	AMD	225	LJ	86	43.99C.01		4 E1	7
43.88.092	AMD		E3	410	43.99C.02		4 E1	7
43.88.160	AMD	1	E3	109	43.99C.02		4 E1	7
43.88.160	AMD		E3	303	43.99C.02		4 E1	7
43.88.350	AMD	225	E3	87	43.99C.03		4 E1	7
43.88.560		225					4 E1	7
	AMD	128		88 2	43.99C.04 43.99C.04		4 E1	7
43.88C.010	AMD							7
43.88C.050	AMD	128		3	43.99C.05		4 E1 4 E1	
43.92.025	AMD	12	Г1	1	43.99C.05			7
43.96B.200	DECD		E1	6	43.99C.06		4 E1	7
43.96B.205	DECD		E1	6	43.99C.07		4 E1	38
43.96B.210	DECD		E1	6	43.99D.00		4 E1	23
43.96B.215	DECD		E1	6	43.99D.01		4 E1	23
43.96B.215	AMD	225	г.	89	43.99D.01		4 E1	23
43.96B.220	DECD		E1	6	43.99D.02		4 E1	23
43.96B.225	DECD		E1	6	43.99D.02		4 E1	23
43.96B.230	DECD		E1	6	43.99D.03		4 E1	23
43.96B.235	DECD		E1	6	43.99D.03		4 E1	23
43.96B.240	DECD		E1	6	43.99D.04		4 E1	23
43.96B.245	DECD		E1	6	43.99D.04		4 E1	23
43.96B.900	DECD		E1	6	43.99D.05		4 E1	23
43.99A.010	DECD		E1	14	43.99D.05		4 E1	23
43.99A.020	DECD		E1	14	43.99D.90		4 E1	23
43.99A.030	DECD	4	E1	14	43.99E.00	5 DECD	4 E1	23
43.99A.040	DECD	4	E1	14	43.99E.01) DECD	4 E1	23
43.99A.050	DECD		E1	14	43.99E.01:	5 DECD	4 E1	23
43.99A.060	DECD	4	E1	14	43.99E.020) AMD	4 E1	39
43.99A.070	DECD	4	E1	14	43.99E.020) RECD	4 E1	58
43.99A.080	DECD		E1	14	43.99E.02	5 DECD	4 E1	23
43.99A.090	DECD	4	E1	14	43.99E.03) DECD	4 E1	23
43.99A.100	DECD	4	E1	14	43.99E.03	5 DECD	4 E1	23
43.99A.110	DECD	4	E1	14	43.99E.04) DECD	4 E1	23

RCW		CH.	SI	EC. R	aCW .		СН.		SEC.
43.99E.045	DECD	4			.105.047	AMD	1	E3	103
43.99E.050	DECD	4			.105.047	RECD	1	E3	221
43.99E.055	DECD	4	E1 2	3 43	.105.052	AMD		E3	104
43.99E.900	DECD	4		3 43	.105.070	REP	225		128
43.99F.010	DECD	4	E1 2	1 43	.105.111	AMD		E3	105
43.99F.020	DECD	4	E1 2		.105.178	REP	225		128
43.99F.030	AMD	4			.105.330	REP	225		128
43.99F.030	RECD	4		8 43	.105.340	REP	1	E3	224
43.99F.040	DECD	4	E1 2	1 43	.105.825	AMD		E3	106
43.99F.050	DECD	4	E1 2	1 43	.110.030	AMD	10	E2	5
43.99F.060	DECD	4	E1 2	1 43	.131.090	AMD	1	E3	322
43.99F.070	DECD	4	E1 2	1 43	.131.413	AMD	3	E3	7041
43.99F.080	DECD	4	E1 2	1 43	.131.414	AMD	3	E3	7042
43.99F.090	DECD	4	E1 2	1 43	.135.010	AMD	29	E3	2
43.99F.100	DECD	4	E1 2	1 43	.135.025	AMD	29	E3	3
43.99F.110	DECD	4	E1 2	1 43	.135.034	AMD	44	E3	421
43.99G.010	DECD	4	E1 1	2 43	.135.060	AMD	53		71
43.99G.020	AMD	4	E1 4	1 43	.136.047	REP	6	E3	1107
43.99G.020	RECD	4	E1 5	8 43	.155.050	AMD	3	E3	7032
43.99G.030	DECD	4	E1 1	2 43	.155.050	AMD	4	E3	959
43.99G.040	DECD	4	E1 1	2 43	.155.070	AMD	3	E3	7033
43.99G.050	DECD	4	E1 1	2 43	.160.080	AMD	3	E3	6029
43.99G.060	DECD	4	E1 1	2 43	.160.080	AMD	3	E3	7034
43.99G.070	DECD	4	E1 1	2 43	.185.070	AMD	155		1
43.99G.080	DECD	4	E1 1	2 43	.185.070	AMD	155		2
43.99G.090	DECD	4	E1 1	2 43	.185C	ADD	69		27,30
43.99G.100	DECD	4	E1 1	2 43	.185C.010	REMD	69		10
43.99G.102	DECD	4	E1 1	2 43	.185C.040	AMD	69		25
43.99G.104	DECD	4	E1 1	2 43	.185C.220	AMD	128		5
43.99G.108	DECD	4	E1 1	2 43	.185C.240	AMD	69		26
43.99G.112	DECD	4	E1 1		.215	ADD	7	E3	3,5
43.99G.114	DECD	4	E1 1	2					13-15
43.99G.900	DECD	4		2					17,18
43.99G.901	DECD	4	E1 1	2					20,22
43.99H.020	REMD	4	E1 4	2 43	.215	ADD	199		1
43.991.020	AMD	4			.215.010	REMD	7	E3	19
43.99K.020	AMD	4	E1 4	4 43	.215.090	AMD	7	E3	16
43.99L.020	AMD	4	E1 4		.215.100	AMD	7	E3	2
43.99P.020	AMD	4			.215.135	AMD		E3	6
43.99Q.020	AMD	4			.215.1352	AMD		E3	7
43.101	ADD	84	1,		.215.200	REMD		E3	4
43.101	ADD	87	-,		.215.415	AMD		E3	9
43.101	ADD	286			.215.425	AMD		E3	8
43.101.080	AMD	225			.215.430	AMD		E3	10
43.101.200	AMD	4	E3 95		.215.455	AMD		E3	11
43.101.220	AMD		E3 95		.215.456	AMD		E3	12
43.101.270	AMD	286			.215.456	AMD	128		4
43.105	ADD	1	E3 221,50		.235.020	AMD	275		12
43.105.020	AMD	1	E3 10		.235.040	AMD	275		13
43.105.041	REP	225	12		5.280	ADD	101		2
15.105.071	ILLI	223	12		00	.100	101		_

RCW		СН.		SEC.	RCW		СН.		SEC.
43.320	ADD	296		10	46.19.020	AMD	228		37
43.320.110	AMD	4	E3	960	46.20.202	AMD	44	E3	209
43.325.020	AMD	225		91	46.20.205	AMD	53		72
43.325.030	AMD	225		92	46.20.270	AMD	189		1
43.325.040	AMD	4	E3	961	46.20.308	AMD	3	E2	5
43.330	ADD	68		2	46.20.342	AMD	149		1
43.330	ADD	69		3-9	46.20.385	AMD	3	E2	3
43.330	ADD	296		1-9	46.20.740	AMD	3	E2	4
43.330.167	AMD	69		24	46.20.750	AMD	3	E2	6
43.330.250	AMD	4	E3	962	46.20.755	AMD	3	E2	15
43.330.300	AMD	65		1	46.25.052	AMD	44	E3	206
43.330.907	AMD	225		93	46.25.060	AMD	44	E3	207
43.331.040	AMD	225		94	46.25.100	AMD	44	E3	208
43.331.050	AMD	225		95	46.25.120	AMD	3	E2	7
43.350.030	AMD	4	E2	1503	46.29	ADD	236		6
43.350.030	AMD	71		3	46.37	ADD	44	E3	210
43.371	ADD	246		8	46.44.190	AMD	16		1
43.371.010	AMD	246		1	46.52.130	AMD	3	E2	12
43.371.020	AMD	246		2	46.52.130	REMD	265		4
43.371.030	AMD	246		3	46.55.060	AMD	227		1
43.371.040	AMD	246		4	46.61	ADD	3	E2	8
43.371.050	AMD	246		5	46.61.184	AMD	32		1
43.371.060	AMD	246		6	46.61.410	AMD	58		2
43.371.070	AMD	246		7	46.61.503	AMD	3	E2	14
44.28	ADD	241		3	46.61.504	AMD	3	E2	24
44.68.065	AMD	1	E3	411	46.61.5054	AMD	265		32
44.68.065	AMD	225		96	46.61.5055	AMD		E2	9
44.73.010	AMD	225		97	46.61.5055	AMD	265		33
46.01.260	AMD	3	E2	10	46.61.50571		35	E3	2
46.04.126	AMD	200		4	46.61.506	AMD	3	E2	22
46.04.1695	AMD	145		2	46.61.508	AMD	3	E2	23
46.08.065	AMD	225		98	46.63.073	AMD	189		2
46.08.150	AMD	225		99	46.63.160	AMD	292		1
46.08.172	AMD	225		100	46.63.170	AMD	10	E1	702
46.09.457	AMD	160		1	46.63.170	AMD	44	E3	406
46.09.520	AMD	9	E2	2	46.66.080	AMD	4	E3	964
46.09.520	REMD	44	E3	109	46.68	ADD	12	E3	2
46.09.520	REEN	44	E3	110	46.68	ADD	44	E3 1	106,331
46.10.530	AMD	9	E2	3	46.68.025	AMD	1	E2	1
46.10.530	AMD	44	E3	112	46.68.030	AMD	43	E3	601
46.12.650	AMD	44	E3	214	46.68.060	AMD	43	E3	602
46.16A	ADD	200		1	46.68.090	AMD	44	E3	104
46.17	ADD	200		2	46.68.090	AMD		E3	105
46.17.050	AMD	44	E3	211	46.68.280	AMD	43	E3	603
46.17.060	AMD		E3	212	46.68.290	AMD		E3	604
46.17.323	AMD		E3	203	46.68.325	AMD		E1	703
46.17.355	AMD	44	E3	201	46.71.090	AMD	86	-	201
46.17.365	AMD		E3	202	46.72	ADD	236		3
46.18.220	REMD	200		3	46.72.073	REP	236		10
46.18.245	AMD	208		1	46.72A.053	REP	236		10
10.10.273	111111	200		1	10.7211.033	111/1	250		10

RCW		CH.	SEC.	RCW		CH.	SEC.
46.87.010	AMD	228	1	47.02.060	DECD	4 E1	18
46.87.020	AMD	228	2	47.02.070	DECD	4 E1	18
46.87.022	AMD	228	3	47.02.080	DECD	4 E1	18
46.87.023	REP	228	38	47.02.090	DECD	4 E1	18
46.87.025	AMD	228	4	47.02.100	DECD	4 E1	18
46.87.030	AMD	228	5	47.02.110	DECD	4 E1	18
46.87.040	AMD	228	6	47.04	ADD	44 E3	403
46.87.050	AMD	228	7	47.04.010	REMD	10 E3	3
46.87.060	AMD	228	8	47.04.280	AMD	1 E3	304
46.87.070	AMD	228	9	47.04.280	AMD	16 E3	1
46.87.080	AMD	228	10	47.04.320	AMD	44 E3	401
46.87.090	AMD	228	11	47.04.325	AMD	44 E3	402
46.87.120	AMD	228	12	47.10	ADD	45 E3	1-7
46.87.130	AMD	228	13	47.10.010	DECD	4 E1	9
46.87.140	AMD	228	14	47.10.020	DECD	4 E1	9
46.87.150	AMD	228	15	47.10.030	DECD	4 E1	9
46.87.190	AMD	228	16	47.10.040	DECD	4 E1	9
46.87.200	AMD	228	17	47.10.050	DECD	4 E1	9
46.87.210	REP	228	38	47.10.060	DECD	4 E1	9
46.87.220	AMD	228	18	47.10.070	DECD	4 E1	9
46.87.230	AMD	228	19	47.10.080	DECD	4 E1	9
46.87.240	AMD	228	20	47.10.090	DECD	4 E1	9
46.87.250	AMD	228	21	47.10.100	DECD	4 E1	9
46.87.260	AMD	228	22	47.10.110	DECD	4 E1	9
46.87.270	REP	228	38	47.10.120	DECD	4 E1	9
46.87.280	AMD	228	23	47.10.130	DECD	4 E1	9
46.87.290	AMD	228	24	47.10.140	DECD	4 E1	9
46.87.294	AMD	228	25	47.10.150	DECD	4 E1	9
46.87.296	AMD	228	26	47.10.160	DECD	4 E1	9
46.87.300	AMD	228	27	47.10.170	DECD	4 E1	9
46.87.310	AMD	228	28	47.10.180	DECD	4 E1	9
46.87.320	AMD	228	29	47.10.190	DECD	4 E1	9
46.87.330	AMD	228	30	47.10.200	DECD	4 E1	9
46.87.335	AMD	228	31	47.10.210	DECD	4 E1	9
46.87.340	AMD	228	32	47.10.220	DECD	4 E1	9
46.87.350	AMD	228	33	47.10.230	DECD	4 E1	9
46.87.360	AMD	228	34	47.10.240	DECD	4 E1	9
46.87.370	AMD	228	35	47.10.250	DECD	4 E1	9
46.87.380	REP	228	38	47.10.260	DECD	4 E1	9
46.87.410	AMD	228	36	47.10.270	DECD	4 E1	9
47	ADD	17 E3	1-7	47.10.280	DECD	4 E1	9
47.01	ADD	12 E3	1	47.10.290	DECD	4 E1	9
47.01	ADD	15 E3	2,6	47.10.300	DECD	4 E1	9
47.01	ADD	17 E3	8	47.10.310	DECD	4 E1	9
47.01	ADD	18 E3	4	47.10.320	DECD	4 E1	9
47.01.435	AMD	164	1	47.10.330	DECD	4 E1	9
47.02.020	DECD	4 E1	18	47.10.340	DECD	4 E1	9
47.02.030	DECD	4 E1	18	47.10.350	DECD	4 E1	9
		4 E1	18	47.10.360	DECD	4 E1	9
47.02.040	DECD	4 E.I	10	47.10.300		4 E.I	9

RCW		CH.	SEC.	RCW		СН.	SEC.
47.10.380	DECD	4 E1	9	47.10.762	DECD	4 E1	9
47.10.390	DECD	4 E1	9	47.10.763	DECD	4 E1	9
47.10.400	DECD	4 E1	9	47.10.764	DECD	4 E1	9
47.10.410	DECD	4 E1	9	47.10.765	DECD	4 E1	9
47.10.420	DECD	4 E1	9	47.10.766	DECD	4 E1	9
47.10.430	DECD	4 E1	9	47.10.767	DECD	4 E1	9
47.10.440	DECD	4 E1	9	47.10.768	DECD	4 E1	9
47.10.450	DECD	4 E1	9	47.10.769	DECD	4 E1	9
47.10.460	DECD	4 E1	9	47.10.770	DECD	4 E1	9
47.10.470	DECD	4 E1	9	47.10.771	DECD	4 E1	9
47.10.480	DECD	4 E1	9	47.12.063	AMD	13 E3	2
47.10.490	DECD	4 E1	9	47.12.283	AMD	13 E3	1
47.10.500	DECD	4 E1	9	47.20.780	AMD	18 E3	1
47.10.700	DECD	4 E1	9	47.20.785	AMD	18 E3	2
47.10.700	DECD	4 E1	9	47.28.030	AMD	282	1
47.10.702	DECD	4 E1	9	47.28.170	AMD	10 E3	4
47.10.704	DECD	4 E1	9	47.28.170	AMD	144	2
47.10.708	DECD	4 E1	9	47.29.170	AMD	10 E1	704
47.10.708	DECD	4 E1	9	47.29.170	ADD	273	5
47.10.710	DECD	4 E1	9	47.46.060	AMD	44 E3	405
		4 E1	9	47.56.030	AMD	14 E3	403 7
47.10.714	DECD DECD		9				705
47.10.716				47.56.403	AMD	10 E1	
47.10.718	DECD	4 E1	9	47.56.725	AMD REP	230	1 8
47.10.720	DECD	4 E1	9	47.56.780		14 E3	
47.10.722	DECD	4 E1	9	47.56.795	AMD	292	2
47.10.724	DECD	4 E1	9	47.56.876 47.60	AMD	10 E1 14 E3	706 5
47.10.726	DECD	4 E1	9		ADD		
47.10.727	DECD	4 E1	9	47.60.005	AMD	14 E3	1 2
47.10.728	DECD	4 E1	9	47.60.010	AMD	14 E3	
47.10.729	DECD	4 E1	9	47.60.322	AMD	44 E3	213
47.10.730	DECD	4 E1	9	47.60.530	AMD	43 E3	605
47.10.731	DECD	4 E1	9	47.60.810	AMD	14 E3	3
47.10.732	DECD	4 E1	9	47.60.814	AMD	14 E3	4
47.10.733	DECD	4 E1	9	47.60.820	AMD	14 E3	6
47.10.734	DECD	4 E1	9	47.60.830	AMD	225	101
47.10.735	DECD	4 E1	9	47.64.170	AMD	1 E3	305
47.10.736	DECD	4 E1	9	47.64.170	AMD	10 E1	707
47.10.737	DECD	4 E1	9	47.64.360	AMD	1 E3	306
47.10.738	DECD	4 E1	9	47.66	ADD	11 E3	4
47.10.751	DECD	4 E1	9	47.66.030	AMD	11 E3	3
47.10.752	DECD	4 E1	9	47.76	ADD	281	1
47.10.753	DECD	4 E1	9	47.76.290	AMD	281	2
47.10.754	DECD	4 E1	9	48	ADD	17	1-9
47.10.755	DECD	4 E1	9	40		100	14
47.10.756	DECD	4 E1	9	48	ADD	109	5-17
47.10.757	DECD	4 E1	9	48	ADD	236	1,2
47.10.758	DECD	4 E1	9	48	ADD	263	1,2
47.10.759	DECD	4 E1	9	48.01.050	AMD	109	1
47.10.760	DECD	4 E1	9	48.02.065	AMD	122	15
47.10.761	DECD	4 E1	9	48.12	ADD	63	1-17

RCW		СН.	SEC.	RCW		CH.	SEC.
48.12.154	REP	63	19	48.37.060	AMD	1 E3	323
48.12.156	REP	63	19	48.43	ADD	9	1,2
48.12.158	REP	63	19	48.43	ADD	19	3
48.12.160	REP	63	19	48.43	ADD	23	3
48.12.162	REP	63	19	48.43	ADD	213	1
48.12.164	RECD	63	17	48.43	ADD	237	1
48.12.166	RECD	63	17	48.43	ADD	251	2
48.12.168	REP	63	19	48.43	ADD	284	2
48.13.061	AMD	122	16	48.43.039	AMD	33 E3	4
48.15.050	AMD	132	1	48.43.045	AMD	237	2
48.15.120	AMD	132	2	48.44.320	AMD	22	3
48.18.100	AMD	19	2	48.62.021	REMD	109	2
48.19.010	AMD	19	4	48.62.031	AMD	109	3
48.21.220	AMD	22	1	48.62.036	REP	109	18
48.21A.090	AMD	22	2	48.62.141	AMD	109	4
48.22.030	AMD	236	7	48.97.005	AMD	122	17
48.22.085	AMD	236	8	48.125.140	AMD	122	18
48.22.095	AMD	236	9	48.155.010	AMD	122	19
48.30	ADD	272	3,4	48.155.015	AMD	122	20
48.30.140	AMD	272	1	49.12.005	AMD	299	2
48.30.150	AMD	272	2	49.46.010	REMD	299	3
48.31B	ADD	122	8,9	49.74	ADD	225	102
48.31B.005	AMD	122	1	49.74.020	AMD	1 E3	324
48.31B.010	AMD	122	2	49.74.040	REP	225	128
48.31B.015	AMD	122	3	51.12.020	AMD	236	4
48.31B.020	AMD	122	4	51.12.180	REP	236	10
48.31B.025	AMD	122	5	51.12.183	REP	236	10
48.31B.030	AMD	122	6	51.12.185	AMD	236	5
48.31B.035	AMD	122	7	51.16.120	AMD	137	1
48.31B.040	AMD	122	10	51.16.240	REP	236	10
48.31B.050	AMD	122	11	51.32	ADD	137	5
48.31B.070	AMD	122	12	51.32.095	AMD	137	2
48.31C.010	REP	122	21	51.32.099	REMD	137	4
48.31C.020	REP	122	21	51.44	ADD	177	1,2
48.31C.030	REP	122	21	51.44.040	AMD	137	6
48.31C.040	REP	122	21	52.04.011	AMD	53	73
48.31C.050	REP	122	21	52.06.030	AMD	53	74
48.31C.060	REP	122	21	52.14.060	AMD	53	75
48.31C.070	REP	122	21	52.14.070	AMD	53	76
48.31C.080	REP	122	21	52.16.030	AMD	40	1
48.31C.090	REP	122	21	52.26	ADD	40	2
48.31C.100	REP	122	21	53	ADD	35	2-9
48.31C.110	REP	122	21	53.04.020	AMD	53	77
48.31C.120	REP	122	21	53.04.080	AMD	53	78
48.31C.130	REP	122	21	53.08.176	AMD	29	1
48.31C.140	REP	122	21	53.12.130	AMD	53	79
48.31C.150	REP	122	21	53.12.172	AMD	53	80
48.31C.160	REP	122	21	53.12.221	AMD	53	81
		122	21	53.16.015	AMD	53	82
48.31C.900	REP	122	∠ 1	33.10.013	AMD	33	02

RCW		СН.	SEC.	RCW		СН.	SEC.
53.36	ADD	135	1	66.24.244	AMD	42	1
53.36.070	AMD	53	83	66.24.360	AMD	192	1
53.36.100	AMD	53	84	66.24.630	AMD	186	1
53.36.100	REP	135	5	66.28	ADD	186	2
53.36.110	REP	135	5	66.28.310	AMD	94	1
54.04.190	AMD	31	1	66.40.010	AMD	153	1
54.08.060	AMD	53	85	66.40.030	AMD	153	2
54.40.070	AMD	53	86	66.44	ADD	193	2
57.04.140	AMD	53	87	66.44.270	AMD	59	2
57.08.050	AMD	136	1	66.44.318	AMD	33	1
57.12.030	AMD	53	88	67.28.150	AMD	102	1
57.12.039	AMD	53	89	67.28.160	AMD	102	2
57.24.190	AMD	53	90	67.28.180	AMD	102	3
58.24.060	AMD	12	2	67.28.181	AMD	24 E3	
59.18	ADD	264	2,3	67.38.130	AMD	53	91
59.18.030	REMD	264	1	67.40.040	REP	4 E1	
59.18.310	AMD	264	4	67.70.190	AMD	31 E3	
60.28.011	AMD	280	1	67.70.240	AMD	31 E3	
60.44.020	AMD	201	1	67.70.260	AMD	31 E3	
60.44.060	AMD	201	2	68.52.250	AMD	53	92
61.24.172	AMD	4 E3		69.07.040	AMD	27 E3	
62A.1-203	AMD	107	1	69.07.085	AMD	27 E3	
		65	2		AMD	27 E3	
62A.9A-525 63.29	AMD ADD	6 E3		69.10.015 69.22.010	AMD	203	1
03.29	ADD	0 E3	2109-	69.22.050			1
(2.20.020	AMD	(E2			AMD	196	
63.29.020	AMD	6 E3		69.41 69.41	ADD	205	2 3-5
63.29.140	AMD	6 E3			ADD	242	
63.29.170	AMD	6 E3		69.41.040	AMD	205	3
63.29.180	AMD	6 E3		69.41.110	AMD	242	1
63.29.190	REMD	6 E3		69.41.120	AMD	242	2
63.29.290	AMD	6 E3		69.41.150	AMD	242	6
63.29.300	AMD	6 E3		69.41.160	AMD	242	7
63.29.340	AMD	6 E3		69.50	ADD	4 E2	
64.04	ADD	51	1				210,211
64.06	ADD	10 E2					501,502
64.06.020	AMD	110	1				701
66.04.010	AMD	193	3				801
66.08	ADD	26 E3					1201
66.08.012	AMD	70	3				1202
66.08.050	AMD	4 E2					1205
66.08.170	AMD	4 E3	966				1301
66.20	ADD	194	4				1401
66.20.010	AMD	59	1	69.50	ADD	70	10,11
66.20.010	AMD	194	3				15,33
66.20.010	AMD	195	1	69.50	ADD	71	1
66.24	ADD	180	1	69.50	ADD	207	3
66.24	ADD	194	5	69.50.101	AMD	4 E2	901
66.24.140	AMD	194	1	69.50.101	AMD	70	4
66.24.145	AMD	194	2	69.50.204	AMD	4 E2	1203
66.24.215	AMD	76	2	69.50.315	AMD	205	4

RCW		CH.		SEC.	RCW		CH.		SEC.
69.50.325	AMD	70		5	69.51A.140	REP	70		48
69.50.331	AMD	4	E2	301	69.51A.200	REP	70		48
69.50.331	AMD	70		6	70.02.045	AMD	289		1
69.50.334	AMD	4	E2	201	70.02.200	AMD	267		7
69.50.342	AMD	4	E2	1601	70.38	ADD	22	E3	2,3
69.50.342	AMD	70		7	70.41	ADD	234		1,2
69.50.345	AMD	70		8	70.41.020	AMD	23		5
69.50.354	AMD	70		9	70.41.230	AMD	23		6
69.50.357	AMD	4	E2	203	70.44.047	AMD	53		93
69.50.357	AMD	70		12	70.44.056	AMD	53		94
69.50.360	AMD	70		13	70.48.130	AMD	267		8
69.50.360	AMD	207		6	70.48.270	DECD	4	E1	11
69.50.363	AMD	207		7	70.48.280	DECD	4	E1	11
69.50.366	AMD	207		8	70.48.310	DECD	4	E1	11
69.50.369	AMD	4	E2	204	70.48.320	DECD	4	E1	11
69.50.401	AMD	265		34	70.48A.010	DECD	4	E1	11
69.50.4013	AMD	4	E2	503	70.48A.020	DECD	4	E1	11
69.50.4013	AMD	70		14	70.48A.030	DECD	4	E1	11
69.50.4014	AMD	4	E2	505	70.48A.040	DECD	4	E1	11
69.50.425	REP	4	E2	1602	70.48A.050	DECD	4	E1	11
69.50.425	AMD	265		35	70.48A.060	DECD	4	E1	11
69.50.430	AMD	4	E2	1204	70.48A.070	DECD	4	E1	11
69.50.430	AMD	265		36	70.48A.080	DECD	4	E1	11
69.50.435	AMD	265		37	70.48A.090	DECD	4	E1	11
69.50.445	AMD	4	E2	401	70.48A.900	DECD	4	E1	11
69.50.530	AMD	4	E2	1101	70.54	ADD	30		1
69.50.535	AMD	4	E2	205	70.58.005	AMD	1	E3	412
69.50.540	AMD	4	E2	206	70.58.005	AMD	225		103
69.50.540	AMD	4	E3	967	70.83	ADD	37		2
69.51A	ADD	70		19-21	70.93.020	AMD	15		1
				23	70.93.180	REMD	15		2
				26-28	70.93.180	AMD	15		3
				35	70.93.200	AMD	15		4
				37,38	70.94	ADD	19	E3	13,14
69.51A.005	AMD	70		16	70.94.537	AMD	225		104
69.51A.010	AMD	70		17	70.94.551	AMD	225		105
69.51A.020	REP	70		48	70.95	ADD	142		2,3
69.51A.025	REP	70		48	70.95.165	AMD	4	E1	49
69.51A.030	AMD	70		18	70.95.265	AMD	225		106
69.51A.040	AMD	70		24	70.95.267	AMD	4	E1	50
69.51A.043	AMD	70		25	70.95.268	AMD	4	E1	51
69.51A.045	AMD	70		29	70.95C.110	AMD	225		107
69.51A.047	REP	70		48	70.95H.030	AMD	225		108
69.51A.055	AMD	70		30	70.95M.060	AMD	225		109
69.51A.060	AMD	70		31	70.96A.350	AMD		E3	968
69.51A.070	REP	70		48	70.96A.350	AMD	291		10
69.51A.085	AMD	70		32	70.105D.070	REMD		E3	7035
69.51A.085	REP	70		49	70.105D.070	REMD	4		969
69.51A.090	REP	70		48	70.112	ADD	252	-	2,6,7
69.51A.100	AMD	70		34	70.112.010	REMD	252		3

RCW		СН.	SEC.	RCW		СН.	SEC.
70.112.020	AMD	252	4	71.05.212	AMD	250	5
70.112.060	AMD	252	5	71.05.230	AMD	250	6
70.123.010	AMD	275	1	71.05.235	AMD	7 E1	14
70.123.020	AMD	275	2	71.05.240	AMD	250	7
70.123.030	AMD	275	3	71.05.245	AMD	250	8
70.123.040	AMD	275	4	71.05.280	AMD	250	9
70.123.050	REP	275	16	71.05.290	AMD	250	10
70.123.070	AMD	275	5	71.05.320	AMD	250	11
70.123.075	AMD	275	6	71.05.340	AMD	250	12
70.123.080	AMD	275	7	71.05.620	AMD	269	16
70.123.090	AMD	275	8	71.05.730	AMD	250	14
70.123.110	AMD	275	9	71.05.730	AMD	250	15
70.123.130	REP	275	16	71.09.020	AMD	278	2
70.123.150	AMD	275	10	71.09.070	AMD	278	1
70.125	ADD	247	1	71.09.085	AMD	271	1
70.128.060	AMD	66	1	71.09.096	AMD	278	3
70.128.120	AMD	66	2	71.24	ADD	269	11
70.128.160	AMD	266	1	71.24.035	AMD	269	8
70.148.060	AMD	224	5	71.24.300	AMD	269	9
70.164.010	AMD	50	1	71.24.300	AMD	269	10
70.164.020	AMD	50	2	71.24.330	AMD	250	18
70.164.040	AMD	50	3	71.24.330	AMD	250	19
70.168	ADD	157	1	71.34	ADD	269	12
70.168	ADD	255	2	71A.12	ADD	39	3
70.168.015	REMD	157	2	71A.12.270	AMD	39	2
70.168.100	AMD	157	3	71A.12.270	RECD	39	3
70.225	ADD	259	2,3	71A.20.190	AMD	225	111
70.225.040	AMD	49	1	72.01.410	AMD	156	2
70.225.040	AMD	259	1	72.01.430	AMD	225	112
70.235.050	AMD	225	110	72.09.345	AMD	261	14
70.250.050	AMD	21	1	72.09.450	AMD	225	113
70.320.030	AMD	209	1	72.09.480	AMD	238	1
70.320.040	AMD	209	2	72.19.070	DECD	4 E1	11
70.320.050	AMD	209	3	72.19.100	DECD	4 E1	11
71.05	ADD	250	13	72.19.110	DECD	4 E1	11
71.00		200	16,17	72.19.120	DECD	4 E1	11
71.05	ADD	258	2,3	72.19.130	DECD	4 E1	11
71.05	ADD	269	2-4	73.16	ADD	57	2
71.05.010	AMD	269	1	74.09	ADD	23	4
71.05.020	REMD	250	1	74.09	ADD	157	6
71.05.020	REMD	250	2	74.09	ADD	283	1
71.05.020	REMD	269	13	74.09.490	AMD	283	2
71.05.020	REMD	269	14	74.09.520	AMD	8 E1	2
71.05.050	AMD	269	5	74.09.522	AMD	256	1
71.05.130	AMD	258	4	74.13	ADD	240	4
71.05.150	AMD	250	3	74.13.020	REMD	240	2
71.05.153	REMD	269	6	74.13.031	AMD	240	3
71.05.156	AMD	250	4	74.13.032	AMD	69	19
71.05.210	AMD	250	20	74.13.032	RECD	69	30
71.05.210	AMD	269	7	74.13.0321	RECD	69	30

RCW		CH.	SEC.	RCW		СН.	SEC.
74.13.033	AMD	69	20	77.32.555	AMD	254	1
74.13.033	RECD	69	30	77.65	ADD	97	2,5,7
74.13.034	AMD	69	21	77.65	ADD	103	1
74.13.034	RECD	69	30	77.65.010	AMD	97	3
74.13.621	AMD	4 E3	970	77.65.370	AMD	97	4
74.13.640	AMD	298	1	77.65.370	AMD	103	2
74.15.220	AMD	69	22	77.65.480	AMD	103	3
74.15.220	RECD	69	30	77.65.500	AMD	97	9
74.15.225	AMD	69	23	77.65.560	AMD	97	10
74.15.225	RECD	69	30	77.90.010	DECD	4 E1	15
74.15.260	RECD	69	30	77.90.020	DECD	4 E1	15
74.15.270	RECD	69	30	77.90.030	DECD	4 E1	15
74.34.020	AMD	268	1	77.90.040	DECD	4 E1	15
74.39A.076	AMD	152	2	77.90.050	DECD	4 E1	15
74.39A.341	AMD	152	3	77.90.060	DECD	4 E1	15
74.42.360	AMD	2 E2	7	77.90.070	DECD	4 E1	15
74.46	ADD	2 E2	3-5	77.90.080	DECD	4 E1	15
			8	77.95	ADD	17 E3	10
74.46.431	AMD	2 E2	1	79.17.120	AMD	4 E1	52
74.46.431	REP	2 E2	9	79.19.080	AMD	225	116
74.46.435	REP	2 E2	9	79.24.100	DECD	4 E1	2
74.46.501	AMD	2 E2	2	79.24.110	DECD	4 E1	2
74.46.506	REP	2 E2	9	79.24.120	DECD	4 E1	2
74.46.508	REP	2 E2	9	79.24.130	DECD	4 E1	2
74.46.511	REP	2 E2	9	79.24.140	DECD	4 E1	2
74.46.515	REP	2 E2	9	79.24.150	DECD	4 E1	2
74.46.521	REP	2 E2	9	79.24.160	DECD	4 E1	2
74.60.005	AMD	5 E2	1	79.24.300	AMD	225	117
74.60.020	AMD	5 E2	2	79.24.530	AMD	225	118
74.60.030	AMD	5 E2	3	79.24.540	AMD	225	119
74.60.050	AMD	5 E2	4	79.24.560	AMD	225	120
74.60.090	AMD	5 E2	5	79.24.570	AMD	225	121
74.60.100	AMD	5 E2	6	79.24.652	DECD	4 E1	2
74.60.120	AMD	5 E2	7	79.24.654	DECD	4 E1	2
74.60.130	AMD	5 E2	8	79.24.656	DECD	4 E1	2
74.60.150	AMD	5 E2	9	79.24.658	DECD	4 E1	2
74.60.160	AMD	5 E2	10	79.24.660	DECD	4 E1	2
74.60.901	AMD	5 E2	11	79.24.662	DECD	4 E1	2
76.04	ADD	182	3,4,6	79.24.664	DECD	4 E1	2
76.04.005	REMD	182	7	79.24.664	AMD	225	122
76.04.015	AMD	182	5	79.24.666	DECD	4 E1	2
77.12.177	AMD	225	114	79.24.668	DECD	4 E1	2
77.12.203	AMD	4 E3	971	79.24.710	AMD	225	123
77.12.451	AMD	225	115	79.24.720	AMD	225	124
77.15	ADD	90	1	79.24.730	AMD	225	125
77.15.260	AMD	141	1	79.44.060	AMD	1 E3	307
77.15.420	AMD	265	38	79.64.040	AMD	4 E3	972
77.15.426	AMD	154	1	79.64.110	AMD	4 E3	973
77.15.510	AMD	97	1	79.105.150	AMD	4 E3	974
77.32.550	AMD	98	1	79A.05.351	AMD	245	1
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RCW		СН.		SEC.	<u> </u>	RCW		СН.		SEC.
79A.10.010	DECD	4	E1	14	82	2.04.050	AMD	6	E3	1104
79A.10.020	DECD	4	E1	14	82	2.04.050	AMD	6	E3	1105
79A.10.030	DECD	4	E1	14		2.04.050	AMD	169		1
79A.10.040	DECD	4	E1	14	82	2.04.060	AMD	169		2
79A.10.050	DECD	4	E1	14	82	2.04.066	AMD	5	E3	203
79A.10.060	DECD	4	E1	14	82	2.04.067	AMD	5	E3	204
79A.10.070	DECD	4	E1	14	82	2.04.190	AMD	169		3
79A.10.090	DECD	4	E1	14	82	2.04.213	AMD	6	E3	1102
79A.15.010	AMD	225		126	82	2.04.260	REMD	6	E3	205
79A.15.030	AMD	183		1	82	2.04.260	REMD	6	E3	602
79A.25.070	AMD	9	E2	4	82	2.04.2907	AMD	5	E3	101
79A.25.070	AMD	44	E3	113	82	2.04.2909	AMD	6	E3	502
80.04.550	AMD	19	E3	12	82	2.04.330	AMD	6	E3	1103
80.28	ADD	220		2	82	2.04.395	REP	86		101
80.36	ADD	190		1	82	2.04.397	REP	86		101
80.36.390	AMD	53		95	82	2.04.424	AMD	5	E3	206
80.50	ADD	39	E3	3	82	2.04.4266	AMD	6	E3	202
80.50.150	AMD	39	E3	2	82	2.04.4268	AMD	6	E3	203
80.52.050	AMD	53		96	82	2.04.4269	AMD	6	E3	204
81.04	ADD	274		10	82	2.04.4333	REP	86		101
81.24.010	AMD	274		18	82	2.04.4481	AMD	6	E3	503
81.44	ADD	274		19	82	2.04.4485	REP	86		101
81.53	ADD	274		22	82	2.04.627	AMD	86		301
81.53.010	AMD	274		20	82	2.04.629	REP	6	E3	1107
81.53.240	AMD	274		21	82	2.04.630	REP	6	E3	1107
81.70	ADD	233		8,9	82	2.04.750	AMD	86		302
81.70.020	AMD	233		1	82	2.08	ADD	1		10
81.70.030	AMD	233		2	82	2.08	ADD	4	E2	207
81.70.220	AMD	233		3	82	2.08	ADD	5	E3	202
81.70.260	AMD	233		4	82	2.08	ADD	207		4
81.70.320	AMD	233		5	82	2.08.0204	REP	6	E3	1107
81.70.350	AMD	233		6	82	2.08.02565	REMD	5	E3	301
81.70.360	AMD	233		7	82	2.08.0262	AMD	86		305
81.72.230	REP	236		10	82	2.08.0265	REP	86		101
81.77.170	AMD	44	E3	424	82	2.08.0291	AMD	169		4
81.104	ADD	44	E332	1,329	82	2.08.160	AMD	4	E3	975
81.104.140	AMD	44	E3	318	82	2.08.170	AMD	4	E3	976
81.104.160	AMD	44	E3	319	82	2.08.200	REP	6	E3	1107
81.104.170	REMD	44	E3	320	82	2.08.805	AMD	6	E3	504
81.104.180	AMD	44	E3	327	82	2.08.809	AMD	44	E3	408
81.112	ADD	44	E3	422	82	2.08.855	AMD	6	E3	1106
81.112.050	AMD	44	E3	328	82	2.08.900	AMD	86		202
81.112.210	AMD	44	E3	330	82	2.08.986	AMD	6	E3	302
82	ADD	6	E340	1-408	82	2.08.9995	AMD	86		303
82.02.050	AMD	241		1	82	2.12	ADD	4	E2	208
82.04	ADD		E3	1002		2.12	ADD	207		5
82.04	ADD	15		7		2.12.010	REMD	169		5
82.04	ADD		E3	411		2.12.020	AMD	169		6
82.04	ADD	70		40		2.12.0204	REP		E3	1107
82.04	ADD	185		2		2.12.022	AMD	6	E3	506

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82.12.0254	AMD	86		306	82.32.145 AMD	188		121
82.12.02565	REMD	5	E3	302	82.32.740 AMD	86		401
82.12.02595	AMD	169		7	82.33.020 AMD	3		14
82.12.02917	REP	169		12	82.36.025 AMD	44	E3	101
82.12.035	AMD	169		8	82.36.029 REP	44	E3	114
82.12.040	AMD	1		11	82.38.030 AMD	44	E3	102
82.12.040	AMD	169		9	82.38.030 AMD	44	E3	103
82.12.200	REP	6	E3	1107	82.38.083 REP	44	E3	114
82.12.225	AMD	32	E3	2	82.44 ADD	44	E3	404
82.12.805	AMD	6	E3	505	82.46 ADD	10	E2	2,3
82.12.809	AMD	44	E3	409	82.46.010 AMD	10	E2	1
82.12.860	AMD	169		10	82.46.021 AMD	53		98
82.12.986	AMD	6	E3	303	82.48.080 AMD	6	E3	901
82.12.9995	AMD	86		304	82.63.010 REMD	5	E3	303
82.14	ADD	24	E34	02,701	82.70.020 AMD	10	E1	708
82.14	ADD	44	E3	315	82.70.020 AMD	44	E3	413
82.14.036	AMD	53		97	82.70.025 AMD	44	E3	417
82.14.045	AMD	44	E3	312	82.70.040 AMD	10	E1	709
82.14.220	REP	86		101	82.70.040 AMD	44	E3	414
82.14.410	AMD	24	E3	704	82.70.050 AMD	10	E1	710
82.14.460	AMD	291		5	82.70.050 AMD	44	E3	415
82.14.510	AMD	112		1	82.70.060 AMD	44	E3	418
82.14.515	AMD	112		2	82.70.900 AMD	10	E1	711
82.16	ADD	6	E3	1003	82.70.900 AMD	44	E3	416
82.16	ADD	44	E3	412	82.80 ADD	44	E3	316
82.16.010	REMD	6	E3	702	82.80.090 AMD	53		99
82.16.020	AMD	6	E3	703	82.80.140 AMD	44	E3	310
82.19.040	AMD	15		5	83.100.230 AMD	4	E3	977
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82.21	ADD	6	E3	1901	84.04.120 AMD	44	E3	326
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82.23B.020	AMD	274		14	84.36.480 AMD	6	E3	2002
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82.26.220	AMD	86		308	84.41.041 AMD	86		103
82.29A.020	REMD	6	E3	2003	84.48.034 AMD	86		104
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82.29A.030	AMD	6	E3	2005	84.52 ADD	24	E3	403
82.29A.040	AMD	6	E3	2006	84.52 ADD	170		3
82.32	ADD	5	E3	205	84.52.010 AMD	24	E3	404
82.32	ADD	6	E3	805	84.52.010 AMD	24		405
82.32	ADD	44	E3	420	84.52.010 AMD	44	E3	324
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84.55	ADD	135	3	90.56.010	AMD	274	3
84.56.070	AMD	95	8	90.56.200	AMD	274	4
84.56.090	AMD	95	9	90.56.210	AMD	274	5
84.64	ADD	95	11	90.56.330	AMD	39 E3	4
84.64.005	AMD	95	10	90.56.500	AMD	274	6
84.64.060	AMD	86	315	90.56.510	AMD	274	7
84.64.070	AMD	86	316	90.58	ADD	15 E3	10
84.64.080	AMD	95	12	90.58.140	AMD	15 E3	7
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86.26.007	AMD	4 E3	978				
87.03.083	AMD	53	103				
87.06.040	AMD	34	1				
87.80.130	AMD	4 E1	53				
87.80.140	REP	34	2				
87.80.150	REP	34	2				
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88.02.560	AMD	44 E3	215				
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90.50.040	DECD	4 E1	22				
90.50.050	DECD	4 E1	22				
90.50.060	DECD	4 E1	22				
90.50.080	DECD	4 E1	22				
90.50.900	DECD	4 E1	22				
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223	7	KLI	U	1202	19	1078	AMD	3	6006
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4		ADD ADD	3	3	Ch.	Sec.	Action	Ch.	Sec.
4		ADD	3	4	216	601	AMD	228	41
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4		ADD	3	8	222	101	AMD	10	801
4		ADD	3	9	222	103	AMD	10	802
4		ADD	3	10	222	104	AMD	10	803
4		ADD	3	11	222	105	AMD	10	804
4		ADD	3	12	222	201	AMD	10	901
4		ADD	3	13	222	202	AMD	10	902
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222	203	AMD	10	903	221	116	AMD	4	1113
222	204	AMD	10	904	221	117	AMD	4	1114
222	205	AMD	10	905	221	118	AMD	4	1115
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222	208	AMD	10	908	221	120	AMD	4	1117
222	209	AMD	10	909	221	122	AMD	4	1118
222	210	AMD	10	910	221	125	AMD	4	1119
222	211	AMD	10	911	221	126	AMD	4	1120
222	212	AMD	10	912	221	127	AMD	4	1121
222	213	AMD	10	913	221	129	AMD	4	1122
222	214	AMD	10	914	221	130	AMD	4	1123
222	215	AMD	10	915	221	134	AMD	4	1124
222	216	AMD	10	916	221	135	AMD	4	1125
222	217	AMD	10	917	221	136	AMD	4	1126
222	218	AMD	10	918	221	140	AMD	4	1127
222	219	AMD	10	919	221	141	AMD	4	1128
222	220	AMD	10	920	221	143	AMD	4	1129
222	221	AMD	10	921	221	146	AMD	4	1130
222	222	AMD	10	922	221	148	AMD	4	1131
222	223	AMD	10	923	221	201	AMD	4	1201
222	301	AMD	10	1001	221	202	AMD	4	1202
222	303	AMD	10	1002	221	203	AMD	4	1203
222	304	AMD	10	1003	221	204	AMD	4	1204
222	305	AMD	10	1004	221	205	AMD	4	1205
222	306	AMD	10	1005	221	206	AMD	4	1206
222	307	AMD	10	1006	221	207	AMD	4	1207
222	308	AMD	10	1007	221	208	AMD	4	1208
222	309	AMD	10	1008	221	209	AMD	4	1209
222	310	AMD	10	1009	221	210	AMD	4	1210
222	311	AMD	10	1010	221	211	AMD	4	1211
222	401	AMD	10	1101	221	212	AMD	4	1212
222	402	AMD	10	1102	221	213	AMD	4	1213
222	404	AMD	10	1103	221	214	AMD	4	1214
222	405	AMD	10	1104	221	216	AMD	4	1215
222	406	AMD	10	1105	221	217	AMD	4	1216
222	407	AMD	10	1106	221	218	AMD	4	1217
222	601	AMD	10	1201	221	219	AMD	4	1218
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221	105	AMD	4	1103	221	303	AMD	4	1303
221	107	AMD	4	1104	221	304	AMD	4	1304
221	108	AMD	4	1105	221	305	AMD	4	1304
221	109	AMD	4	1106	221	306	AMD	4	1306
221	110	AMD	4	1107	221	307	AMD	4	1307
221	111	AMD	4	1107	221	307	AMD	4	1307
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221	113	AMD	4	11109	221	310	AMD	4	1310
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221	506	AMD	4	1506
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221	509	AMD	4	1509
221	511	AMD	4	1510
221	512	AMD	4	1511
221	513	AMD	4	1512
221	514	AMD	4	1513
221	515	AMD	4	1514
221	604	AMD	4	1601
221	605	AMD	4	1602
221	606	AMD	4	1603
221	607	AMD	4	1604
221	608	AMD	4	1605
221	609	AMD	4	1606
221	610	AMD	4	1607
221	611	AMD	4	1608
221	612	AMD	4	1609
221	614	AMD	4	1610
221	615	AMD	4	1611
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221	710	AMD		1707
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STATE MEASURES FILED WITH THE SECRETARY OF STATE

INITIATIVES TO THE PEOPLE

For information on Initiatives to the People, see http://secstate.wa.gov/elections/initiatives/statistics.aspx. For additional information, call the Office of the Secretary of State at (360) 902-4180.

INITIATIVES TO THE LEGISLATURE

For information on Initiatives to the Legislature, see http://secstate.wa.gov/elections/initiatives/statistics.aspx. For additional information, call the Office of the Secretary of State at (360) 902-4180.

REFERENDUM MEASURES

For information on Referendum Measures, see http://secstate.wa.gov/elections/initiatives/statistics.aspx. For additional information, call the Office of the Secretary of State at (360) 902-4180.

REFERENDUM BILLS

For information on Referendum Bills, see http://secstate.wa.gov/elections/ initiatives/statistics.aspx. For additional information, call the Office of the Secretary of State at (360) 902-4180.

HISTORY OF CONSTITUTIONAL AMENDMENTS ADOPTED SINCE STATEHOOD

- No. 1. Section 5, Article XVI. Re: Permanent School Fund. Adopted November, 1894.
- No. 2. Section 1, Article VI. Re: Qualification of Electors. Adopted November, 1896.
- No. 3. Section 2, Article VII. Re: Uniform Rates of Taxation. Adopted November, 1900.
- No. 4. Section 11, Article I. Re: Religious Freedom. Adopted November, 1904.
- No. 5. Section 1, Article VI. Re: Equal Suffrage. Adopted November, 1910.
- No. 6. Section 10, Article III. Re: Succession in Office of Governor. Adopted November, 1910.
- No. 7. Section 1, Article II. Re: Initiative and Referendum. Adopted November, 1912.
- No. 8. Adding Sections 33 and 34, Article I. Re: Recall. Adopted November, 1912.
- No. 9. Section 16, Article I. Re: Taking of Private Property. Adopted November, 1922.
- No. 10. Section 22, Article I. Re: Right of Appeal. Adopted November, 1922.
- No. 11. Section 4, Article VIII. Re: Appropriation. Adopted November, 1922.
- No. 12. Section 5, Article XI. Re: Consolidation of County Offices. Adopted November, 1924.
- No. 13. Section 15, Article II. Re: Vacancies in the Legislature. Adopted November, 1930.
- No. 14. Article VII. Re: Revenue and Taxation. Adopted November, 1930.
- No. 15. Section 1, Article XV. Re: Harbors and Harbor Areas. Adopted November, 1932.
- No. 16. Section 11, Article XII. Re: Double Liability of Stockholders. Adopted November, 1940.
- No. 17. Section 2, Article VII. Re: 40-Mill Tax Limit. Adopted November, 1944.
- No. 18. Adding Section 40, Article II. Re: Restriction of motor vehicle license fees and excise taxes on motor fuels to highway purposes only. Adopted November, 1944.
- No. 19. Adding Section 3, Article VII. Re: State to tax the United States and its instrumentalities to the extent that the laws of the United States will allow. Adopted November. 1946.
- No. 20. Adding Section 1, Article XXVIII. Re: Legislature to fix the salaries of state elective officials. Adopted November, 1948.
- No. 21. Section 4, Article XI. Re: Permit counties to adopt "Home Rule" charters. Adopted November, 1948.
- No. 22. Repealing Section 7 of Article XI. Re: County elective officials. (These officials can now hold same office more than two terms in succession.) Adopted November, 1948.
- No. 23. Adding Section 16, Article XI. Re: Permitting the formation, under a charter, of combined city and county municipal corporations having a population of 300,000 or more. Adopted November, 1948.
- No. 24. Article II, Section 33. Re: **Permitting ownership of land by Canadians who are citizens of provinces wherein citizens of the State of Washington may own land.** (All provinces of Canada authorize such ownership.) Adopted November, 1950.

- No. 25. Adding Section 3(a), Article IV. Re: Establishing Retirement Age for Judges of Supreme and Superior Courts. Adopted November, 1952.
- No. 26. Adding Section 41, Article II. Re: Permitting the Legislature to Amend Initiative Measures. Adopted November, 1952.
- No. 27. Section 6, Article VIII. Re: Extending Bonding Powers of School Districts. Adopted November, 1952.
- No. 28. Sections 6 and 10, Article IV. Re: Increasing Monetary Jurisdiction of Justice Courts. Adopted November, 1952.
- No. 29. Article II, Section 33. Re: Redefining "Alien," thereby permitting the Legislature to determine the policy of the state respecting the ownership of land by corporations having alien shareholders. Adopted November, 1954.
- No. 30. Adding Section 1A, Article II. Re: Increasing the number of signatures necessary to certify a state initiative or referendum measure. Adopted November, 1956.
- No. 31. Section 25, Article III. Re: Removing the restriction prohibiting the state treasurer from being elected for more than one successive term. Adopted November, 1956.
- No. 32. Section 2, Article XV. Re: Filling vacancies in the state legislature. Adopted November, 1956.
- No. 33. Section 1, Article XXIV. Re: Modification of state boundaries by compact. Adopted November, 1958.
- No. 34. Section 11, Article I. Re: Employment of chaplains at state institutions. Adopted November, 1958.
- No. 35. Section 25, Article II. Re: Pensions and Employees' Extra Compensation. Adopted November, 1958.
- No. 36. Section 1, Article II by adding a new subsection (e). Re: Publication and Distribution of Voters' Pamphlet. Adopted November, 1962.
- No. 37. Section 1, Article XXIII. Re: Publication of Proposed Constitutional Amendments. Adopted November, 1962.
- No. 38. Adding Section 2(c), Article IV. Re: Temporary Performance of Judicial Duties. Adopted November, 1962.
- No. 39. Adding Section 42, Article II. Re: Governmental Continuity During Emergency Periods. Adopted November, 1962.
- No. 40. Section 10, Article XI. Re: Lowering minimum population for first class cities from 20,000 to 10,000. Also changing newspaper publication requirements for proposed charters. Adopted November, 1964.
- No. 41. Section 29, Article IV. Re: Election of Superior Court Judges. Adopted November, 1966.
- No. 42. Repealing Section 33, Article II and Amendments 24 and 29. Re: Alien Ownership of Lands. Adopted November, 1966.
- No. 43. Section 3, Article IX. Re: Funds for Support of the Common Schools. Adopted November, 1966.

- No. 44. Section 5, Article XVI. Re: Investment of Permanent Common School Fund. Adopted November, 1966.
- No. 45. Adding Section 8, Article VIII. Re: Port Expenditures—Industrial Development— Promotion. Adopted November, 1966.
- No. 46. Adding Section 1A, Article VI. Re: Voter Qualifications for Presidential Elections. Adopted November, 1966.
- No. 47. Adding Section 10, Article VII. Re: Retired Persons Property Tax Exemption. Adopted November, 1966.
- No. 48. Section 3, Article VIII. Re: Public Special Indebtedness, How Authorized. Adopted November. 1966.
- No. 49. Adding Section 1, Article XXIX. Re: Investments of Public Pension and Retirement Funds. Adopted November, 1968.
- No. 50. Adding Section 30, Article IV. Re: Court of Appeals. Adopted November, 1968.
- No. 51. Adding Section 9, Article VIII. Re: State Building Authority. Adopted November, 1968.
- No. 52. Section 15, Article II. Re: Vacancies in Legislature and in Partisan County Elective Office. Also amending Section 6, Article XI. Re: Vacancies in Township, Precinct or Road District Office. Adopted November, 1968.
- No. 53. Adding Section 11, Article VII. Re: Taxation Based on Actual Use. Adopted November, 1968.
- No. 54. Adding Section 1, Article XXX. Re: Authorizing Compensation Increase During Term. Adopted November, 1968.
- No. 55. Section 2, Article VII. Re: Limitation on Levies. Adopted November, 1972.
- No. 56. Section 24, Article II. Re: Lotteries and Divorce. Adopted November, 1972.
- No. 57. Section 5, Article XI. Re: County Government. Adopted November, 1972.
- No. 58. Section 16, Article XI. Re: Combined City-County. Adopted November, 1972.
- No. 59. Section 2, Article VII. Re: Limitation on Levies. Adopted November, 1972.
- No. 60. Section 1, Article VIII. Re: State Debt. Also amending Section 3, Article VIII. Re: Special Indebtedness, How Authorized. Approved November, 1972.
- No. 61. Adding new Article XXXI. Re: Sex Equality, Rights and Responsibilities. Adopted November, 1972.
- No. 62. Section 12, Article III. Re: Veto Power. Adopted November, 1974.
- No. 63. Section 1, Article VI. Re: Qualifications of Electors. Adopted November, 1974.
- No. 64. Section 2, Article VII. Re: Limitation on Levies. Adopted November, 1976.
- No. 65. Section 6, Article IV. Re: Jurisdiction of Superior Courts. Also amending Section 10, Article IV. Re: Justices of the Peace. Adopted November, 1976.
- No. 66. Section 18, Article XII. Re: Rates for Transportation. Adopted November, 1977.
- No. 67. Repealing Section 14, Article XII. Re: Prohibition Against Combinations by Carriers. Adopted November, 1977.

- No. 68. Section 12, Article II. Re: Legislative Sessions, When—Duration. Adopted November, 1979.
- No. 69. Section 13, Article II. Re: Limitation on Members Holding Office in the State. Adopted November, 1979.
- No. 70. Adding Section 10, Article VIII. Re: Residential Energy Conservation. Adopted November, 1979.
- No. 71. Adding Section 31, Article IV. Re: Judicial Qualifications Commission—Removal, Censure, Suspension, or Retirement of Judges or Justices. Adopted November, 1980.
- No. 72. Sections 1 and 1(a), Article II. Re: Legislative Powers, Where Vested and Initiative and Referendum, Signatures Required. Adopted November, 1981.
- No. 73. Adding Section 1, Article XXXII. Re: Special Revenue Financing. Adopted November, 1981.
- No. 74. Adding Section 43, Article II. Re: Redistricting. Adopted November, 1983.
- No. 75. Section 1, Article XXIX. Re: May be Invested as Authorized by Law. Adopted November, 1985.
- No. 76. Adding Section 11, Article VIII. Re: Agricultural Commodity Assessments— Development, Promotion, and Hosting. Adopted November, 1985.
- No. 77. Section 31, Article IV. Re: Commission on Judicial Conduct—Removal, Censure, Suspension, or Retirement of Judges or Justices—Proceedings. Adopted November, 1986.
- No. 78. Section 1, Article XXVIII. Re: Salaries for Legislators, Elected State Officials, and Judges—Independent Commission—Referendum. Adopted November, 1986.
- No. 79. Section 2, Article VII. Re: Limitation on Levies. Adopted November, 1986.
- No. 80. Section 7, Article IV. Re: Exchange of judges—Judge Pro Tempore. Adopted November, 1987.
- No. 81. Section 1, Article VII. Re: Taxation. Adopted November, 1988.
- No. 82. Section 10, Article VIII. Re: Residential Energy Conservation. Adopted November, 1988
- No. 83. Section 3, Article VI. Re: Who disqualified. Also amending Section 1, Article XIII. Re: Educational, reformatory and penal institutions. Adopted November, 1988.
- No. 84. Adding Section 35, Article I. Re: Victims of Crimes—Rights. Adopted November, 1989.
- No. 85. Section 31, Article IV. Re: Commission on Judicial Conduct. Adopted November, 1989.
- No. 86. Section 10, Article VIII. Re: Energy and Water Conservation Assistance. Adopted November, 1989.
- No. 87. Section 6, Article IV. Re: Jurisdiction of Superior Courts. Adopted November, 1993.
- No. 88. Section 11, Article I. Re: Religious Freedom. Adopted November, 1993.
- No. 89. Section 3, Article 4. Re: Election and Terms of Supreme Court Judges. Adopted November, 1995.
- No. 90. Section 2, Article VII. Re: Limitation on levies. Adopted November, 1997.

- No. 91. Section 10, Article VIII. Re: Energy, water, or stormwater or sewer services conservation assistance. Adopted November, 1997.
- No. 92. Section 1, Article VIII. Re: State debt. Adopted November, 1999.
- No. 93. Section 1, Article XXIX. Re: May be invested as authorized by law. Adopted November, 2000
- No. 94. Section 7, Article IV. Re: Exchange of judges Judge pro tempore. Adopted November, 2001
- No. 95. Section 2, Article VII. Re: Limitation on levies. Adopted November, 2002.
- No. 96. Section 15, Article II. Re: Vacancies in legislative and in partisan county elective office. Adopted November 2003.
- No. 97. Section 31, Article IV. Re: Commission on judicial conduct. Adopted November, 2005.
- No. 98. Section 1, Article VII. Re: Taxation. Adopted November 2006.
- No. 99. Section 12, Article VII. Re: Budget stabilization account. Adopted November 2007.
- No. 100. Section 29, Article II. Re: Convict labor. Adopted November 2007.
- No. 101. Section 2, Article VII. Re: Limitation of levies. Adopted November 2007.
- No. 102. Section 6, Article XVI. Re: Investment of higher education permanent funds. Adopted November 2007.
- No. 103. Section 1, Article VIII. Re: State debt. Adopted November 2010.
- No. 104. Section 20, Article I. Re: Bail, when authorized. Adopted November 2010.
- No. 105. Section 1A, Article VI. Re: Voter qualifications for presidential elections. Adopted November 2011.
- No. 106. Section 12, Article VII. Re: Budget stabilization account. Adopted November 2011.
- No. 106. Section 12, Article VII. Re: Budget stabilization account. Adopted November 2011.
- No. 107. Section 1, Article VIII. Re: State debt. Adopted November 2012.