



# End of Session Report

Prepared by WSAC Staff  
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## Introduction

For a supplemental budget session that was only scheduled to last 60 days, the 2016 session managed to provide more than its fair share of drama - the surprise “firing” of Transportation Secretary Lynn Peterson, independent investigations of the Department of Corrections, end-of-session retirement announcements, midnight mass vetoes and resulting veto overrides.

Through it all WSAC members and staff continued to apply consistent pressure in support of county legislative priorities. The Legislative Steering Committee met four times in two months, engaging Legislative members with each visit. The LSC also held two well-attended Legislative receptions.

WSAC made progress on its Legislative Agenda while also fending off bills and budget proposals that would have negatively impacted counties’ ability to effectively provide public services. This document reviews the 2016 Legislative session, providing information on the bills WSAC pursued or that demanded significant attention.

## WSAC Agenda

### Access to the Public Employee Benefit Board Benefits

[SB 6475](#) allows counties and political subdivisions with fewer than 5000 employees to join the Public Employee Benefit Board health care program upon completion of an application to contract for coverage with the Health Care Authority (HCA). To account for an increased cost of benefits for the state and for state employees, HCA may develop a rate surcharge applicable to participating counties, municipalities, other political subdivisions, and tribal governments. This bill passed out of the Legislature with broad bipartisan support and was signed by the Governor. This was a WSAC priority for the session and we are pleased to have it enacted.

### Legal Notice

For the second year in a row WSAC was unsuccessful in finding any Legislative support for legislation that would allow counties to post legal notices on a webpage rather than costly newspaper postings.

### Liability

WSAC played defense on liability issues in 2016. The most significant liability bill of the session was the Voting Rights Act, which would create a new cause of action against counties where polarized voting is alleged. The Voting Rights Act is discussed below in the General Government section.

### Permit Fee Flexibility

[HB 1802](#) would have allowed flexibility to use permit fees for long range planning activities and code enforcement. Introduced in the 2015 session, the bill was heard again in 2016 yet did not pass out of the House Local Government Committee. Opposition from the Building Industry Association of Washington was too powerful to overcome with this proposal.

### Limit Property Tax Revenue Growth to Inflation and Population

WSAC continued to advocate for a new approach to calculating county property tax growth that would take into account inflation and population growth. Early in the session Legislative leaders indicated that this issue was unlikely to move in the 2016 session due to the 60-day schedule and upcoming

2016 elections. WSAC used the session to continue the process of educating Legislators about the need for a change, and in particular, partnered with leaders from cities and fire districts to spread this message.

### Discover Pass

Sadly there will be no relief this year for county district courts overwhelmed by discover pass violations. [SB 6297](#) would have provided a 25 percent split of the revenue generated from Discover Pass infractions to counties with a population below 100,000. This bill was killed by the House Appropriations Committee near the end of session after passing the Senate 49-0. The Discover Pass statute in its current form creates a clear unfunded mandate to counties and local courts.

### Public Health Funding

WSAC's affiliate, the Washington State Association of Public Health Officials, continued to lay the foundation for a significant increase in Public Health funding. In particular, the final budget includes a proviso directing the development of a proposal to fund foundational Public Health services and a review of the adequacy of fees currently used to support Public Health services.

### Funding for Department of Fish and Wildlife Payments in Lieu of Taxes

WSAC is participating in a coalition of counties, environmental, conservation and recreation interests to advocate for full funding of Washington's Department of Fish and Wildlife payments in lieu of taxes (DFW/PILT). Last year Senator Parlette sponsored [SB 5750](#) addressing the policy recommendations of the Department of Revenue and DFW study requested by Governor Inslee. It was not scheduled for a hearing again this year. This session, Representative Haler sponsored [HB 2891](#) that mirrored [SB 5750](#). It had a hearing in House Appropriations and Representative Chandler, the House Republican budget leader worked unsuccessfully to get funding in the budget. Despite these efforts, full funding for PILT was not included in the final budget and the coalition will continue to work this issue in the interim and next session.

### Infrastructure Funding for Water Projects

Discussions continued about the feasibility of a statewide funding source for water infrastructure including stormwater, flood control, and water supply. No legislation on the topic moved however, and while there is Legislative desire for these projects to be built it is unclear whether there is Legislative appetite for the necessary revenue mechanism.

## Other Bills

### Finance

**Liquor Revenue:** Both the House and Senate held hearings but did not move legislation that would restore reductions to liquor revenues shared with counties and cities. [HB 2438](#) and [SB 6425](#) begin to phase in the sharing of revenue from state liquor licenses in 2018, with a full restoration occurring after 2024. The bills were supported by cities, fire fighters, and labor, and while there is no concerted opposition, this type of legislation has never made it past legislative budget writers who have relied on this revenue since the recession to help balance the state budget.

**Property Tax Exemptions:** A major theme this year was property tax exemptions, largely with the purpose of addressing growing homelessness across the state. WSAC worked with representatives of the City of Seattle on [HB 2544](#) and [SB 6239](#), legislation that would have given a city the authority to exempt the county property tax in order to encourage affordable housing. While many counties may choose to implement such an incentive, WSAC testified in opposition to these bills which originally

did not give the county legislative authority a choice in whether to participate. Though the bills were corrected to WSAC's satisfaction, neither passed the Legislature.

WSAC staff also opposed [HB 2535](#), [HB 2536](#), [HB 2759](#), and [SB 5127](#) all of which would modify the property tax exemption for seniors and veterans. None of these measures passed, but WSAC staff tried to use these hearings as an opportunity to remind the Legislature of the importance of property taxes to the county current expense fund.

**Disaster Area Financing:** The Legislature considered a proposal ([HB 2551](#), [SB 6316](#)) to allow local governments to finance public improvements in areas that are impacted by a natural disaster such as a fire or landslide. The bills would have allowed the creation of an improvement district within which a sales tax credit could be used to finance public improvements that would allow the redevelopment of the impacted area. These bills did not pass.

**Local Sales & Use Tax Changes:** [HB 2565](#) represented a multi-year discussion between business interests and primarily the cities about tax simplification. In the end, the bill removes the opportunity for counties and cities to change local sales and use taxes in October. After passage of this bill these changes may only occur in January, April, or July.

**Real Estate Excise Taxes:** [HB 2971](#) corrected unintended consequences caused by last year's Real Estate Excise Tax flexibility bill. The bill will clarify that jurisdictions can post summaries of ordinances on the Municipal Research Services Center website, and that last year's new restrictions on landlord regulation were not intended to affect county and city non-discrimination policies. WSAC staff worked with representatives of the Realtors, cities, and housing advocates on this bill, which was enacted. Representative McBride has been our "REET Champion" on both bills.

**Vehicle License Fees:** WSAC supported legislation ([SB 6373](#)) that would have raised the licensing fees collected by county auditors. This was a priority bill for the County Auditors Association. While the Senate Transportation Committee was warm to this idea, it died on the Senate floor where there was opposition to the notion of raising fees.

**Lodging Tax:** WSAC opposed a late-introduced bill ([SB 6672](#)) that would have re-directed the portion of the local lodging tax that is collected on the rental of private residences and condominiums to a State tourism marketing fund. Kittitas County Commissioner Paul Jewell and Lewis County Commissioner Edna Fund also testified in opposition. The bill did not move out of the Ways and Means Committee.

**Property Tax Penalties:** WSAC opposed [SB 5439](#), a measure which would have removed the county's ability to charge penalties for delinquent property taxes. The bill was proposed by the Spokane County Treasurer and sponsored by Senator Dansel. Staff testimony focused not on the policy of whether it is equitable to charge penalties, but solely on the budgetary impact that counties would feel. The fiscal note on the measure estimated that it would cost counties \$26 million per year if enacted. Senator Dansel proposed a substitute that would have broadened a waiver for penalties where the delinquency was beyond the control of the individual, but that version did not move out of the Senate.

## Employment

**County Payroll Draw Days:** The Legislature passed a bill ([HB 2392](#)) that harmonizes state law with federal law as it relates to when federal payroll taxes are paid on a county employee's draw against their paycheck. This was a priority for Yakima County and was supported by WSAC.

**Deferred Compensation Programs:** When originally introduced in 2015, [SB 5435](#) would have required counties and cities to offer the State's deferred compensation program to their employees. Given strong concerns from WSAC and the Association of Washington Cities, Senator Bailey agreed to limit the impact on local governments. As enacted by the Legislature the bill requires that all State employees be automatically enrolled in the deferred compensation program, and counties or cities that offer the State's deferred compensation program may also automatically enroll their employees. Thus, the bill changes the State's program to an opt-out program for employees, and is not mandatory for local governments.

**Pension Merger:** The Senate proposed a merger of the Law Enforcement and Fire Fighters pension plan 1 (LEOFF 1) with Projected Teachers Retirement System plan 1 (TERS 1) in [SB 6668](#). As the LEOFF 1 plan has a significant surplus of over \$1 billion, the merger would allow the State to utilize the excess funding to not only make up a deficit in the TERS 1 plan, but also to help balance the State budget. LEOFF 1 members strongly opposed this idea, and ultimately the bill did not move forward. The final supplemental budget includes a proviso directing the Select Committee on Pension Policy to explore this idea and report to the Legislature before next session.

## Land Use

**State Building Code Council:** Two bills ([HB 2841](#) and [SB 6525](#)) relating to the State Building Code Council, its funding, and reform of its process and membership were introduced this session, yet both died for lack of concurrence in their respective chambers. A related bill ([HB 2847](#)) did pass, and allows disability retrofitting under RCW 90.58 for the Americans with Disabilities Act accessibility.

**School Siting:** Following the School Siting Taskforce that met three times during the fall of 2015, there were a total of four bills dealing with school siting either as an essential public facility or amending the Growth Management Act (GMA) to allow them to be sited outside the Urban Growth Area (UGA). Some of the issues addressed in these bills included how to provide urban services such as sewer and water to schools, the criteria for when to allow schools outside the UGA, and how many counties would be affected. In the House, [HB 1420](#), [HB 2377](#) and [HB 2586](#) saw little movement, yet [SB 6426](#) was active until the last day of regular session. Ultimately none of these measures passed, though it is clear that the issues remain.

**Growth Management Act Reports and Review:** Two Senate bills ([SB 5604](#) and [SB 6420](#)) that would have required all counties to provide a buildable lands, or land availability report, were strongly opposed by counties. Neither bill passed the Senate.

Legislation creating a taskforce to review the GMA ([HB 2945](#)) also did not pass, yet Representative Appleton, Chair of the House Local Government Committee, said she intends to hold several meetings in the interim to look at the GMA.

**Vested Rights:** During the 2015 session the business introduced legislation ([HB 1394](#) and [SB 5921](#)) that would have overturned a court case regarding common law vesting, Potala Village, LLC v. City of Kirkland. The bills were not passed, but they led to another work group during the fall of 2015. The

bills were not heard again during the 2016 session, though we expect the work group on the issue to continue over the interim.

### Natural Resources & Environment

**Forest Practices Applications:** There were several pieces of legislation directed at forest practices applications (FPA). [HB 2352](#) would have required any salmon habitat projects to use National Marine Fisheries buffer widths. This bill did not receive a hearing. [HB 2658](#) and [SB 6362](#) addressed protection of cultural resources in an FPA and [HB 2828](#) and [SB 6280](#) called for rulemaking at the Forest Practices Board regarding unstable slope regulations. None of these bills passed.

**Safe Transport of Oil:** Safe transportation of oil and other hazardous materials was addressed by [HB 2575](#), [SB 5057](#), and [SB 6418](#). Ultimately, none of these bills passed nor was additional funding provided for the Department of Ecology.

**Model Toxics Control Act Funding:** The Model Toxics Control Act (MTCA) account is facing huge shortfalls due to record low oil prices. [SB 6570](#) would have placed a priority on these dollars for toxic cleanups over storm water activities. This would have been a substantial cut to counties in both storm water capacity grants and project grants. [SB 6660](#) was also introduced which would have increased the hazardous substance tax in order to make up for the MTCA revenue shortfall. Neither bill passed, and budget cuts were made to stormwater capacity grants and projects of around \$30 million dollars. Shoreline master plan funding was eliminated for new grants. Remedial action grants are cut by \$5 million dollars and the Department of Ecology has a \$5 million dollar cut to staffing labeled as “hiring restrictions”.

**Washington Wildlife and Recreation Program Reform:** In 2015, the Washington Wildlife and Recreation Program (WWRP) went through a review of its policies and procedures. [SB 6227](#) was introduced to implement the recommended changes to the WWRP. WSAC was able to include language that imposes a stronger requirement for State agencies to confer with counties in the acquisition process. This measure was enacted.

**Water Banking:** Water banking best practices was brought up last year with [HB 1187](#) and [SB 5014](#). Neither were back in substantive form this year, though a new bill ([SB 6179](#)) was introduced and went through several drafts. At one point there was wording about “available” water that concerned counties. The final draft of the bill removed language of concern and addressed posting of information about the availability of water through a water bank on the Ecology website. This bill did pass.

**Water Availability, Storage and Instream Flow Rules:** Several bills were introduced to address water availability in an instream flow rule, protection of a rule and even establishing proof of water reliance of an exempt well with a building permit. As always, water legislation is difficult to pass. [SB 6513](#) protects reservations of water under OCPI (overriding consideration of the public interest) in just the Wenatchee and Dungeness in stream flow rule. [SB 6589](#) funds a feasibility study at Ecology on exempt wells and water storage to provide uninterrupted water resources in the Skagit basin. Both bills were passed.

## Human Services

**Adult Behavioral Health System Task Force:** The Adult Behavioral Health System Task Force (Task Force) was a multi-year effort that led to several policy recommendations this session for behavioral health service reform. The counties were represented by Jill Johnson, Island County Commissioner; Shelly O'Quinn, Spokane County Commissioner; Karen Valenzuela, Thurston County Commissioner (April-October 2014), and Kevin Bouchey, Yakima County Commissioner (November 2014-December 2015)

The county representatives recommended that:

- The Legislature should increase Medicaid and non-Medicaid funding to a level that covers the full cost of providing behavioral health services. Inadequate rates are a major challenge to the system. The drop in rates in the past session and the planned drop going forward greatly impact recruitment and retention.
- Behavioral health clinicians need to be able to work in conjunction with one another. We need to encourage the Federal Government to revise the substance abuse confidentiality rules to align with HIPAA and other related regulations. The state must provide adequate funding to support the infrastructure and technology needed to integrate of substance use disorder treatment with mental health in managed care.
- The state should invest in secure detox facilities and support the full integration and full state funding of the chemical dependency involuntary treatment act ([HB 1713](#)). Individuals in crisis are being taken to jail because there are inadequate community resources. There is also a critical shortage of low-barrier housing. Stable housing is often the key to establishing and ensuring continuity of treatment.
- The Legislature should fund the State Workforce Coordinating Board to assess the need and develop an action plan to address the workforce shortages across the health care spectrum to meet the increased demand for services now and with the integration of behavioral health and primary care in 2020. The study and resulting action plan should not only focus on behavioral health, but also access to primary care physicians across the state.
- Washington should take the necessary step to suspend an individual's Medicaid benefits while they are incarcerated rather than terminate them. Termination of benefits creates an unnecessary disruption and can create barriers to ensuring a "warm hand-off".
- Full-funding for jail transition services must be provided in the budget in order to help ensure that individuals we connected to services when they are released.
- The Legislature should direct the Health Care Authority and the Governor's Office to pursue an 1115 Medicaid Waiver for behavioral health services provided to individuals who are incarcerated.

By all accounts, the efforts of WSAC members and staff were largely successful:

- The final budget stabilized rates for Behavioral Health Organizations; rate ranges were adjusted downward, but in all cases actual fund levels were not reduced.
- [HB 1713](#) passed, creating a ten-year phased-in investment in secure detox facilities and supports the full integration and full state funding of the Chemical Dependency Involuntary Treatment Act.
- [SB 6430](#) requires the State Health Care Authority to: (1) Suspend, rather than terminate, medical assistance benefits by July 1, 2017, for persons who are incarcerated; and (2) request

expenditure authority from the federal government to provide behavioral health services to persons who are incarcerated in local jails.

- The Governor directed his policy office to create a workgroup to assess the need and develop an action plan to address the workforce shortages across the health care spectrum to meet the increased demand for services.

**Developmental Disabilities:** This session resolved itself in a mostly positive manner, but there were some bumps along the way. Employment and the policy around employment will continue to be an issues that garners serious debate in the Legislature. [HB 2790](#) would have addressed the exception to rule (ETR) requirement that a client participate in an employment program for nine months before transitioning to a community access program. And although the bill died, clearly there are issues with the ETR policy that will have to be studied and potentially addressed.

Concerns around center based services and the transition away from segregated settings continues to create discord with advocates and family members who are uncertain of what the future would look like for them and their loved ones. There is work to be done to help create a road map for a positive transition.

[SB 5879](#), which specifies that the Department of Early Learning (DEL) is the lead agency for the Early Support for Infants and Toddlers program, passed this session in part due to all the great work of King County staff that travelled to Olympia several times to help guide this issue through the Legislature.

[HB 2394](#) created in statute the Parents for Parents Program and declared the Legislature's intent to fund and expand the program to individuals with developmental disabilities to all counties by 2021.

Perhaps the most meaningful policy change this session was [SB 6564](#), which aims at providing protection to the most vulnerable individuals we serve. The bill requires the Developmental Disabilities Administration to identify clients who have the highest risk of experiencing abuse or neglect and increase home visits for these individuals. It also establishes an Office of the Developmental Disabilities Ombuds to provide ombuds services for individuals with developmental disabilities.

**Behavioral Health Organization Penalties:** [SB 5779](#) reduces the reimbursements that a Regional Support Network (RSN) or Behavioral Health Organization (BHO) must pay the Department of Social and Health Services when the RSN or BHO exceeds its allocation of inpatient days of care at a state hospital to half of the cost of that care.

**County Veterans' Assistance:** [HB 1213](#) expands the definition of "family" for purposes of the Veterans' Assistance Fund to apply to spouses, surviving domestic partners, and dependent children of service members who were killed in the line of duty regardless of the number of days served.

## Marijuana

The House Committee on Commerce and Gaming continued to push the issue of marijuana preemption despite all indications that the legal market is thriving. In fact, the market has been so good that the State was able to sweep an additional \$14 million into the general fund as a result of soaring retail sales.

Licensing			
Producer licenses issued	Producer/Processor licenses issued	Processor licenses issued	Retail licenses issued
<b>134</b>	<b>657</b>	<b>99</b>	<b>313</b>
Pending build out /applicant place on hold	Producer/Processor pending inspection	Retailer pending inspection	Retailers reporting sales
<b>169</b>	<b>19</b>	<b>52</b>	<b>229 out of 313</b>

<http://lcb.wa.gov/marij/dashboard>

The House Committee tried and failed two times this session to preempt locals. The first bill was [HB 1438](#), which would have preempted county and city ordinances or regulations pertaining to the retail sale of marijuana, with the caveat that local governments could implement a ban if it was voter approved. The second bill was [HB 2998](#). That bill would have eliminated all bans and moratorium on retail with no voter approved exceptions, and also proposed to reduce the excise tax on marijuana products from 37 percent to 25 percent. The excise tax revenue reduction would have reduced the county excise tax revenue share in 2017-19 and future biennia.

WSAC staff worked closely with our city counterparts to manage these bills and ensure that they didn't even get taken up by the House floor. Our work on this effort will likely continue next session, especially in light of the increase in moratoria or bans related to outdoor production.

**Marijuana Disposal:** The Legislature did pass one common sense bill related to marijuana that provides a legal pathway for the disposal of marijuana products. [HB 2521](#) creates an exception to current requirements to allow for disposal of marijuana and marijuana infused products as authorized by the Liquor and Cannabis Board.

## Public Safety

**Juvenile Detention Centers:** WSAC staff researched and drafted a bill to address our dwindling juvenile detention populations. Many of our counties have significantly reduced their juvenile detention populations by implementing an array of alternatives to detention programs, expediting case processing time frames, and developing a risk assessment instrument to determine which youth require incarceration. Currently, counties with a population of 50,000 or less are not required to maintain a detention center. [HB 2677/SB 6372](#) would have bumped the population threshold up to 250,000. This proposal was opposed by local judges and juvenile court administrators.

**Jail Diversion:** The State continues to feel the pressure of the [Trueblood](#) decision. Last spring a federal judge determined that more than seven days was too long for an inmate to wait in jail for a competency evaluation. The State believes that meeting the new seven day federal mandate will be very difficult and is looking for ways to help local governments divert individuals with behavior health issues away from the criminal justice system. In response to this belief the Governor created a taskforce to address jail diversion and transitions.

**Certificate of Restoration of Opportunity:** [HB 1553](#) creates a process by which a person with a criminal record can be granted a Certificate of Restoration of Opportunity (CRO). Additionally, the bill prohibits the State and local governments from disqualifying an applicant for a license, certificate, or other qualification to engage in certain professions or businesses solely based on the applicant's criminal history if the applicant possesses a CRO.

**Increased Penalties for Felony DUI:** [HB 2280](#) makes felony driving under the influence of intoxicating liquor, marijuana, or any drug a class B felony instead of a class C felony. The statutory maximum sentence for a class C felony is five years in prison, a maximum fine of \$10,000, or both imprisonment and a fine. The statutory maximum sentence for a class B felony offense is 10 years in prison, a maximum fine of \$20,000, or both imprisonment and a fine

### Transportation and Public Works

**Recruitment of State Patrol Officers:** The legislature passed two bills, ([HB 1581](#) and [HB 2872](#)), to address recruitment of state patrol officers. [HB 1581](#) provides more funding for the State Patrol Highway Account and [HB 2872](#) increases base pay of troopers and sets up a market analysis to look at overall pay modifications. These bills drew criticism from legislators over claims that cities and counties recruit newly commissioned troopers after the State has invested in recruiting and training them.

**Island County RTP:** After being voted out of the Skagit-Island Regional Transportation Planning Process, Island County sought authority to form its own single county Regional Transportation Planning Organization. [HB 2815](#) was signed by the Governor and takes effect July 1.

**County Road Administration:** At King County's request, [SB 6314](#), regarding county road administration and maintenance, was passed by the Legislature and signed by the Governor. The bill streamlines county engineer record keeping requirements by allowing a county engineer (not just King County) to coordinate record keeping with other county records management. The bill also provides counties with more flexibility with vacating of county roads, and lastly gives King County more authority to conduct work with its own forces.

**Covered Loads and Agriculture Overweight Loads:** A covered loads bill, [HB 2818](#), was again introduced this session. The bill, though, never received a hearing. Bills that would have allowed agriculture commodities to exceed the maximum weight limit by 2,000 pounds, were introduced in both chambers. [HB 2611](#) and [SB 6256](#), were heard in both the House and Senate, respectively, with the Senate version passing. The House Transportation Committee did not pass the bill out of committee.

**County Ferry District Creation:** A bill aimed at Skagit County's Guemes Island Ferry, [HB 2344](#), would have restricted a county's ability to create a ferry district. The bill was passed out of committee but did not come up for a floor vote.

**Infrastructure Financing:** The Senate has made it clear that it intends to capture all Public Works Assistance Account loan repayments for transfer to the State General Fund in the future. The Senate's answer to financing local public works is to provide the full faith and credit of the state so local projects can get the same rate the State does when it sells bonds. The Senate passed [SB 5624](#), establishing a process for financing local projects, together with a constitutional amendment resolution, [SJR 8204](#), needed to put the process into effect. The House Capital Budget Committee did not pass the bills. The Legislative adopted budget included \$50,000 in funding for the Office of

Financial Management to work with local governments and state agencies to develop local infrastructure financing strategies for consideration in the 2017 Legislative session, but this was vetoed by Governor Inslee.

### General Government

**Public Records:** The primary legislation regarding the public records act in 2016, was [HB 2576](#). The initial version of the bill included the creation of a public records commission that could arbitrate disputes, provided local jurisdictions with the authority to establish policies limiting the amount of time devoted to records requests each month and provided the authority for cost recovery for commercial requests. The final version of the bill considered by the House included the following provisions:

- Provided local agencies with the authority to prioritize records requests based on the size of the request, complexity of the request or the number of requests received and pending. Established criteria for responding to request related to imminent action that require a higher priority.
- Provided that requests for all or substantially all agency records are not a request for identifiable public records under the Public Records Act (PRA) and authorizes agencies to deny those requests.
- Provided that multiple records requests made by an automated computer program are not valid requests under the PRA and authorizes agencies to deny such requests.
- Created a 16-member Legislative Task Force on Public Records Requests to Local Agencies that will review the merits of establishing a public records commission, strategies for resolving disputes related to public records requests and cost recovery for expenses associated with responding to public records requests. The task force would have reported to the Legislature by November 15, 2016.
- Ultimately, the legislation was not considered by the full House and did not have the chance for discussion in the Senate. Representatives McBride and Nealey have expressed interest in convening a group of stakeholders over the summer to develop a legislative proposal for 2017. WSAC will work them throughout the stakeholder process.

**Body Cameras:** [HB 2362](#), establishing privacy and public records protections for those jurisdictions with a body camera program, passed the Legislature. The bill includes the following provisions:

- Applies only to agencies that have deployed body-worn cameras prior to the effective date of the bill.
- Directs agencies that use body-worn cameras to address certain issues in locally adopted policies including:
  - When an officer is to begin or stop a recording.
  - How an officer will be trained to use the cameras.
- Requires that any ordinance or resolution authorizing the use of body cameras should identify a community involvement process for providing input into the development of operational policies regarding body cameras.
- Strongly encourages the legislative authority of a city or town to adopt an ordinance authorizing the use of body cameras.

- Establishes additional privacy protections by specifying certain types of images as “highly offensive” including things like the interior of a residence, intimate images, minors, medical facility treatment areas, and domestic violence victims.
- Requires that a request for recordings identify a specific time and date, a specific officer, incident or case number, or the name of a person involved.
- Allows an agency to recover costs for providing redaction of recordings to those not directly involved in an incident.
- Establishes a broad task force that will report back by December 2017.
- The Act sunsets on July 1, 2019; however, recordings made during the effective time frame of the Act retain the protections granted in the Act.

**Voting Rights Act:** The Legislature considered legislation again this year establishing a State Voting Rights Act. [HB 1745](#) created a cause of action when local and district elections exhibit polarized voting between voters in a protected class and other voters, and where members of the protected class do not have an equal opportunity to elect their preferred candidate or influence the election. A protected class is a class of voters who are members of a race, color or language minority group.

Under the legislation, a voter of a protected class residing in the political subdivision may file a legal action claiming polarized voting and a lack of an equal opportunity to elect members of their choice or influence an election. Before filing suit, the voter must notify the jurisdiction of the potential claim. The jurisdiction must work in good faith to implement a remedy. The voter may file an action if the jurisdiction does not adopt a remedy in 180 days. Adoption of a proposed remedy protects the jurisdiction from another State Voting Rights Act claim for four years. The legislation also provided authority for a jurisdiction to adopt a district-based election system. [HB 1745](#) did not pass the Legislature, but it is a certainty that it will be back in 2017.

### Supplemental Operating Budget

The Legislature adopted a supplemental operating budget on March 29<sup>th</sup>, and it was signed into law by Governor Inslee on April 18<sup>th</sup>. The Governor also vetoed several sections of the budget, which had an impact on the overall spending levels approved by the Legislature as well as the four-year outlook. The following summary describes the budget as passed the Legislature, and specific vetoes are noted.

The Legislative supplemental operating budget established a spending level of \$38.2 billion, nearly the same amount as was provided in the original 2015-2017 biennial budget. Since the biennial budget was adopted last June, available resources increased by \$270 million while maintenance level costs increased by \$203 million. While the supplemental budget spends nearly the same amount as the original budget, it does make significant changes in how these dollars are spent.

### Expenditures and Savings

The final budget provides \$248 million for new spending on policy priorities such as:

- \$15 million for K-12 education.
- \$31 million for higher education.
- \$16 million for early learning and child care.
- \$37 million for health care.
- \$41 million for mental health.

- \$31 million for long term care and programs and services for the developmentally disabled.
- \$9 million for criminal justice.
- \$17 million for other human services.
- \$6 million for natural resources.

The budget also books \$260 million in savings, spread across a variety of state programs. The net increase is about \$191 million in new spending.

### Increased Resources (Revenue and Fund Transfers)

While the Legislature did not enact a new source of State revenue as had been proposed by both Governor Inslee and the House, the budget does include \$105 million in new resources. About \$78 million is derived from Legislative changes, including \$46 million from a royalty payment amnesty program at Department of Revenue, and \$3 million from settlement of a lawsuit. Fund transfers in this budget include:

- \$16 million from the Public Works Assistance Account. **(Governor vetoed)**
- \$10 million from the Performance Audit Account. **(Governor vetoed)**
- \$13 million from eleven other accounts.

**County Resources:** While the original Senate proposal would have cut county resources by nearly \$85 million, the final supplemental budget largely restored those cuts and after Governor Inslee's vetoes these cuts were entirely restored. The only Legislative reduction was an \$800,000 cut to resources provided to Thurston County for the impact the state has on the county court system. It is the policy of the state that any case against the State of Washington may be brought in Thurston County, which increases caseloads. The Governor vetoed this section of the budget, restoring the majority of this funding.

### Land Use, Natural Resources and Environment

**GMA Update Grants:** The Department of Commerce did not receive additional funding to provide grants for jurisdictions to update their Growth Management Act comprehensive plans. The monies they have left over from the original budget for updates, minus what Commerce used for staffing and internal costs is approximately \$400,000 directed towards the smallest communities. Commerce contracted with 5 counties whose updates are due in 2016 for up to \$48,000 each. There are no grants available for counties with updates due in 2017.

**Model Toxics Control Account:** The account at the Department of Ecology that funds stormwater, cleanups, and prevention was a subject of much discussion this year. There is a shortfall in the account due to prices dropping on a barrel of oil. Ecology was asking for \$48 million in backfill and that was not funded. The current shortfall has grown to \$78 million and the budget makes cuts and fund shifts equal to \$78 million so the fund will have a \$0 balance for 2015-2017 and a projected balance of -\$40 million for 2017-2019.

In the operating budget Ecology was cut by \$13.4 million with the following breakdown:

- \$3.8 million cut to public participation grants.
- \$2.9 million cut to stormwater capacity grants.
- \$900,000 cut to shoreline master program grants.
- \$5 million cut to Ecology staffing (hiring restrictions on vacancies).

The capital budget effects counties' stormwater programs with almost \$30 million dollar cut from grants and projects.

**Wildfire Funding:** The Department of Natural Resources received \$230 million for fires. \$171 million for wildfire suppression, \$8.3 million for firefighting resources and prevention and \$50.8 million for recovery efforts. The budget saves the General Fund about \$26 million by taking \$189.5 million from the Budget Stabilization Account and \$63.8 from the Disaster Response Account.

One item of note, the budget shifts \$700,000 from the Resource Management Cost Account (RMCA) to fire prevention and suppression. This account is the management fee collected from timber sales on common school trust land and is meant to be directed back to timber management to give the highest and best benefit to the trust beneficiaries. This could set a precedent to shift money out of the counties trust account in the future and it is a double dip into the funds; instead of getting extra management to prevent fires, it takes current management money and directs it to fire suppression.

**Forest Practices:** The Department of Natural Resources is provided \$378K for staffing to review unstable slopes in forest practice applications and expanded spending authority for LiDar mapping by \$3 million.

### Human Services

**Regional Support Network Fund Balances:** The original proposed Senate budget swept RSN reserves by fifty percent, roughly a proposed \$75 million dollar cut. These reserves have been set aside to build treatment capacity for mental health and substance abuse services, as well as the expansion of services for children’s mental health. In the final budget the \$75 million dollar cut to RSN was removed, with the exception of \$11 million dollars in reserves held by the Southwest Washington Regional Support Network. Additional language was added to require the Department of Social and Health Services work with the RSN to establish a minimum and maximum level for reserves. This will be a helpful tool in avoiding future threats of reserve sweeps. The majority of the existing reserves from the Southwest Washington RSN are swept into the general fund, at a \$23.8 million reduction. \$1.5 million is provided for one-time improvements to the crisis system.

**Respite at Yakima Valley School:** Fifteen additional staff were funded to provide additional respite beds at the School. We believe it is fair to say that this funding didn’t “come at the expense” of community beds, but it is clear that community based respite is a priority and it is disappointing to see more funding placed here rather than in the community.

**State Hospital Funding Redesign:** On the final day of special session the Legislature passed SB 6656, concerning state hospitals. The end result is a study of our current state mental hospital bed allocations and a review of how the state pays for these institutions. An outside consultant will be hired to study current practices and make recommendations for improvement to a Joint Select Committee by November, 2016. The state agencies and BHOs must work with the consultant to draft a transition plan allocating funding for state hospital beds to Behavioral Health Organizations, who would then be financially responsible for paying for bed utilization. The transition plan, along with the analysis of the entire concept, will be presented to the Committee for further consideration.

Other budget changes in the human services area include:

### Developmental Disabilities

- **Parent to Parent Program:** Funding is provide to enhance and the existing program. \$46,000  
*General Fund-State*

- Individual Provider Overtime: Funding is provided to implement [HB 1725](#), homecare worker overtime, recognizing the Federal Court of Appeals decision the upheld the U.S. Department of Labor rule regarding overtime pay for homecare workers. *\$16.3 million, General Fund-State; General Fund-Federal*
- Better Life Experience Program: Funding is provided to implement the ABLE act, [HB 2323](#). *\$572,000 General Fund-State.*
- Protecting Individuals with Disabilities: Funding is dedicated to increase home visits for clients identified as having the highest risk of abuse and neglect. *\$693,000 General Fund-State*

### Behavioral Health

- Secure Detox/Involuntary Treatment: Funding is provided to create nine 16 bed secure detoxification centers that provide short term involuntary commitment services for individuals with substance use disorders. The bill has a ten year phase in plan. *\$623,000 General Fund-State; General Fund-Federal*
- Medication Assisted Treatment: Funding is provided to expand access to integrated treatment with buprenorphine for individual with opioid addiction. *\$2.0 million General Fund-Federal*
- Peer Bridging Programs: Appropriations are increased for a pilot program for BHOs to hire 22 Peer Bridge staff. These staff shall be incorporated into state psychiatric hospital liaison teams. *\$1.7million General Fund-Federal*
- Treatment for Offenders: The appropriation authority in the Criminal Justice Treatment Account is increased to provide funding for substance abuse treatment and support services for offenders and to support drug courts. *\$500,000, Criminal Justice Treatment Account*
- Suicide Threat Response: Appropriations are increase to offset the assumed increase in crisis services resulting from the passage of [HB 1448](#), which requires law enforcement officers to refer individuals to mental health agencies under certain circumstances. *\$596,000 General Fund-State; General Fund-Federal*
- Managed Care Rate Reforms: The Health Care Authority will achieve savings in managed care by maintaining capitation rates at calendar year 2016 levels. *\$47.6 million reduction, General Fund-State; General Fund-Federal*
- Healthcare Innovation Waiver Proviso: The Authority anticipates receiving federal funding to implement a healthcare innovation waiver under its Healthier Washington Initiative. Funding is provided for its initiatives on accountable communities of health, tailored support for older adults, Medicaid alternative care, supportive housing services, and supportive employment services. Proviso limits spending authority to federal funds only.

### Housing

- Consolidate Homeless Grants: Expenditure authority for Consolidated Homeless Grants is increases to reflect actual revenues. *\$6.6 million Home Security Fund Account-State; Affordable Housing for All-State*
- Youth Specific Consolidate Homeless Grants: Expenditure authority for Consolidated Homeless Grants is increases to reflect actual revenues. This amount is dedicated to youth. *\$787,000 Home Security Fund Account-State; Affordable Housing for All-State*

- **Homeless Student Stability:** Funding is provide to pilot increased identification of homeless students and provide additional support as established in [HB 1682](#). *\$1.0 million Home Security Fund Account-State*

### Public Safety

**Department of Corrections:** Currently an individual must have four prior DUI convictions before being charged with a felony. [SB 5105](#) makes the fourth offense (three priors) a felony offense. Funding is increased at the Department based on the anticipated increase in prison utilization. *\$831,000, General Fund-State*

The budget also assumes savings due to underutilization of the Yakima Jail Bed contract for Female Offenders until June 2016. *\$900,000 reduction, General Fund-State.*

**Courts:** Funding is provided to account for the disproportionate impact of Discover Pass violations to Skamania County. *\$20,000 Recreation Pass Account-State*

**Juvenile Crisis Beds:** Funding is provided for 23 additional temporary residential placement for homeless youth under the age of 18. *\$1.0 million, Home Security Fund Account-State.* Funding is also provided for ten additional crisis residential center beds to help reduce truancy. *\$714,000, General Fund-State.*

### Supplemental Transportation Budget

The supplemental transportation budget includes more funding for correcting fish passage barriers (\$113 over 16 years), more funding for state highway preservation, increased funding for the Coleman Dock project in Seattle, a down payment on priority rail crossing projects developed by the Utilities and Transportation Commission, funding for the Tacoma Narrows Bridge to delay tolling increases, and moving up funding for a new 144-car ferry earlier in the 16-year plan.

The transportation supplemental also makes small increases in allocation of fuel tax revenue to counties through CRAB based on overall increases in Motor Vehicle Fuel Tax revenue. The bill also corrects a technical error that didn't allow the state treasurer to distribute \$5.9 million in multimodal funds allocated to cities and counties. These funds are distributed on a quarterly schedule using the same allocation percentage as gas tax distribution. Payments, including those previously authorized, should start showing up in the second quarter of 2016.