

Sec. 3. Section 5, chapter 236, Laws of 1955 as amended by section 24, chapter 26, Laws of 1967 ex. sess. and RCW 60.28.050 are each amended to read as follows:

Upon final acceptance of a contract, the state, county or other municipal officer charged with the duty of disbursing or authorizing disbursement or payment of such contracts shall forthwith notify the department of revenue of the completion of said contract. Such officer shall not make any payment from the retained percentage fund or release any retained percentage escrow account to any person, until he has received from the department of revenue a certificate that all taxes, increases and penalties due from the contractor, and all taxes due and to become due with respect to such contract have been paid in full or that they are, in the department's opinion, readily collectible without recourse to the state's lien on the retained percentage.

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CHAPTER 39  
[Engrossed Senate Bill No. 179]  
STATE EMPLOYEES AND OFFICIALS--  
INSURANCE AND HEALTH CARE PROGRAMS

AN ACT Relating to insurance and health care programs for state employees and officials; amending section 1, chapter 75, Laws of 1963 as last amended by section 1, chapter 237, Laws of 1969, 1st ex. sess. and RCW 41.04.180; amending section 5, chapter 59, Laws of 1969 and RCW 41.04.230; repealing section 5, chapter 237, Laws of 1969, 1st ex. sess. and RCW 41.04-.200; repealing section 6, chapter 237, Laws of 1969, 1st ex. sess. and RCW 41.04.210; repealing section 8, chapter 237, Laws of 1969, 1st ex. sess.; adding new sections to Title 41 RCW as a new chapter thereof; adding a new section to chapter 1, Laws of 1961 and chapter 41.06 RCW; making an

appropriation and declaring an emergency.

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

NEW SECTION. Section 1. Unless the context clearly indicates otherwise, words used in this chapter have the following meaning:

(1) "Board" means the state employees' insurance board established under the provisions of section 2 hereof.

(2) "Employee" shall include all full time and career seasonal employees of the state, whether or not covered by civil service; elected and appointed officials of the executive branch of government, including full time members of boards, commissions or committees; and shall include any or all part time and temporary employees under the terms and conditions established by the board; and members of the legislature who are elected to office after the effective date of this act.

(3) "Panel medicine plan" means a health care plan which can be offered by a health care service contractor which itself furnishes the health care service contracted for by means of a group practice prepaid medical care plan.

(4) "Trustee" shall mean the director of personnel.

NEW SECTION. Sec. 2. (1) There is hereby created a state employees' insurance board to be composed as follows: The governor or his designee; the state directors of the department of general administration and the department of personnel; one member representing an association of state employees and one member representing a state employees' union, who shall be appointed by the governor; one member of the senate who shall be appointed by the president of the senate; and one member of the house of representatives who shall be appointed by the speaker of the house. The senate and house members of the board shall serve in ex officio capacity only. All appointments shall be made effective immediately. The first meeting of the board shall be held as soon as possible thereafter at the call of the director of personnel. The board shall prescribe rules

for the conduct of its business and shall elect a chairman and vice-chairman at its first meeting and annually thereafter. Members of the board shall receive no compensation for their services, but shall be paid for their necessary and actual expenses while on official business and legislative members shall receive allowances provided for in RCW 44.04.120.

(2) The board shall study all matters connected with the providing of adequate health care coverage for state employees on the best basis possible with relation both to the welfare of the employees and to the state. The board shall design benefits, devise specifications, analyze carrier responses to advertisements for bids, determine the terms and conditions of employee participation and coverage, and decide on the award of contracts which shall be signed by the trustee on behalf of the board. The board shall from time to time review and amend such plans. Contracts for health benefit plans shall be rebid and awarded at least every five years.

(3) The board shall develop and provide three employee health care benefit plans; one plan will provide major medical benefits as its primary feature, another plan will provide basic first-dollar benefits as its primary feature plus major medical, either or both of which may be provided through a contract or contracts with regularly constituted insurance carriers or health care service contractors as defined in chapter 48.44 RCW, and another plan to be provided by a panel medicine plan in its service area only when approved by the board. Except for panel medicine plans, no more than one insurance carrier or health care service contractor shall be contracted with to provide the same plan of benefits: PROVIDED, That employees may choose participation in only one of the three plans sponsored by the board.

NEW SECTION. Sec. 3. (1) The director of the department of personnel shall be trustee and administrator of health benefit contracts awarded by the board and shall have power to employ a bene-

fits supervisor and such other assistants and employees as may be necessary subject to the jurisdiction of the state civil service law, chapter 41.06 RCW. The director of personnel shall provide any other personnel and facilities necessary for assistance to the board. He may delegate his duties hereunder to the benefits supervisor.

(2) The director of personnel, as trustee, shall transmit contributions for health care benefits in payment of premiums and receive and deposit contributions and dividends or refunds into the state employees insurance revolving fund, which shall be used for payment of premiums, administrative expenses other than staffing as provided in section 3(1) of this 1970 amendatory act, to reduce employee contributions or to increase benefits in accordance with instructions of the board.

(3) Every division, department or separate agency of state government shall fully cooperate in administration of the plans, education of employees, claims administration and other duties as required by the trustee or the board.

NEW SECTION. Sec. 4. There is hereby created a fund within the state treasury, designated as the "state employees insurance fund", to be used by the trustee as a revolving fund for the deposit of contributions, dividends and refunds, and for payment of premiums for health care benefit contracts entered into in accordance with instructions of the board and payments authorized by section 3(2) of this 1970 amendatory act. Moneys from the state employees insurance fund shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the trustee.

NEW SECTION. Sec. 5. (1) Every department, division or separate agency of state government shall provide contributions to hospitalization and medical aid plans for its employees and their dependents, the content of such plans to be determined by the state employees insurance board. All such contributions will be paid into

the state employees insurance fund to be expended by the trustee for the payment of required health insurance premiums.

(2) The contributions of any department, division or separate agency of the state government shall be limited to ten dollars per month per employee covered, from July 1, 1970 through June, 1971. Thereafter such contribution shall be established by the state personnel board in accordance with the procedure required for the adoption and amendment of salary schedules for employees under its jurisdiction as provided in RCW 41.06.150 and RCW 41.06.160. The contributions for employees not covered by state civil service shall be set by the state employees insurance board, subject to the approval of the governor for availability of funds: PROVIDED, That nothing herein shall be a limitation on employees employed under chapter 47-.64 RCW: PROVIDED FURTHER, That provision for school district and higher education personnel shall not be made under this act.

NEW SECTION. Sec. 6. The department of general administration shall make its services available to the board in advertising for and procuring bids for health care benefit programs authorized by the board in accordance with RCW 43.19.1935.

NEW SECTION. Sec. 7. The cost of any health care insurance contracts or plans to any department, division or separate agency of state government shall be deemed additional compensation to the employees or officials covered thereby for services rendered, and any officer authorized to disburse such funds shall pay to the trustee for payment of the contributions due pursuant to any such contract authorized by the board.

NEW SECTION. Sec. 8. Retired state employees may continue their participation in insurance plans and contracts after retirement, under the qualifications, terms, conditions and benefits set by the board: EXCEPT, That such retired employees shall bear the full cost of premiums required to provide such coverage.

NEW SECTION. Sec. 9. There is added to chapter 1, Laws of 1961 and to chapter 41.06 RCW a new section to read as follows:

On and after July 1, 1971, the contributions of any department, division or separate agency of state government to hospitalization and medical aid plans for its employees and their dependents whose employment is subject to the state civil service law shall be in an amount established by the Washington state personnel board, subject to appropriation of funds for that purpose, in accordance with the procedure required for the adoption and amendment of salary schedules.

Sec. 10. Section 1, chapter 75, Laws of 1963 as last amended by section 1, chapter 237, Laws of 1969 ex. sess. and RCW 41.04.180 are each amended to read as follows:

Any (~~department, division, or separate agency of the state government, and any~~) county, municipality or other political subdivision of the state acting through its principal supervising official or governing body may, whenever funds shall be available for that purpose (~~as determined by the budget director as respects to state agencies~~) provide for all or a part of hospitalization and medical aid for its employees and their dependents through contracts with regularly constituted insurance carriers or with health care service contractors as defined in chapter 48.44 RCW, for group hospitalization and medical aid policies or plans: PROVIDED, That any (~~department, division or separate agency of state government, and any~~) county, municipality or other political subdivision of the state acting through its principal supervising official or governing body shall provide the employees thereof a choice of policies or plans through contracts with not less than two regularly constituted insurance carriers or health care service contractors: AND PROVIDED FURTHER, That any county may provide such hospitalization and medical aid to county elected officials and their dependents on the same basis as such hospitalization and medical aid is provided to other county employees and their dependents: (~~PROVIDED FURTHER, That the contributions of any department, division or separate~~

~~agency-of-the-state-government-shall-be-limited-to-ten-dollars-per-month-per-employee-covered;-except-that-such-limitation-shall-not-apply-to-employees-employed-under-chapter-47.64-RCW.))~~ PROVIDED FURTHER, That provision for school district and higher education personnel shall not be made under this section but shall be as provided in RCW 28.76.410 (or sections 28A.58.420 and 28B.10.660 of the 1969 education code).

Sec. 11. Section 5, chapter 59, Laws of 1969 and RCW 41.04-.230 are each amended to read as follows:

Any official of the state authorized to disburse funds in payment of salaries and wages of public officers or employees is authorized, upon written request of the officer or employee, to deduct each month from the salaries or wages of the officers or employees, the amount of money designated by the officer or employee for payment of the following:

(1) Credit union deductions: PROVIDED, That the credit union is organized solely for public employees: AND PROVIDED FURTHER, That twenty-five or more employees of a single state agency or a total of one hundred or more state employees of several agencies have authorized such a deduction for payment to the same credit union.

(2) Parking fee deductions: PROVIDED, That payment is made for parking facilities furnished by the agency or by the department of general administration.

(3) U. S. savings bond deductions: PROVIDED, That a person within the particular agency shall be appointed to act as trustee. The trustee will receive all contributions; purchase and deliver all bond certificates; and keep such records and furnish such bond or security as will render full accountability for all bond contributions.

(4) Board, lodging or uniform deductions when such board, lodging and uniforms are furnished by the state, or deductions for

academic tuitions or fees or scholarship contributions payable to the employing institution.

(5) Dues and other fees deductions: PROVIDED, That the deduction is for payment of membership dues to any professional organization formed primarily for public employees or college and university professors: AND PROVIDED, FURTHER, That twenty-five or more employees of a single state agency, or a total of one hundred or more state employees of several agencies have authorized such a deduction for payment to the same professional organization.

(6) Labor or employee organization dues may be deducted in the event that a payroll deduction is not provided under a collective bargaining agreement under the provisions of RCW 41.06.150: PROVIDED, That twenty-five or more officers or employees of a single agency, or a total of one hundred or more officers or employees of several agencies have authorized such a deduction for payment to the same labor or employee organization: PROVIDED, FURTHER, That labor or employee organizations with five hundred or more members in state government may have payroll deduction for employee benefit programs.

(7) Accident (~~(;health;)~~) and casualty (~~(;or-medical;-surgic-  
eal-and-hospital)~~) premiums to a single insurer: PROVIDED, That twenty-five or more officers or employees of a single agency, or a total of one hundred or more officers or employees of several agencies have authorized such a deduction for payment to that insurer.

(8) Health care insurance contributions to the trustee of health care benefit contracts for payment of premiums under contracts authorized by the state employees' insurance board.

Deductions from salaries and wages of public officers and employees other than those enumerated in this section or by other law, may be authorized by the budget director for purposes clearly related to state employment or goals and objectives of the agency.

The authority to make deductions from the salaries and wages



of public officers and employees as provided for in this section shall be in addition to such other authority as may be provided by law.

NEW SECTION. Sec. 12. The following acts or parts of acts are hereby repealed:

(1) Section 5, chapter 237, Laws of 1969, 1st ex. sess., and RCW 41.04.200;

(2) Section 6, chapter 237, Laws of 1969, 1st ex. sess., and RCW 41.04.210; and

(3) Section 8, chapter 237, Laws of 1969, 1st ex. sess.

NEW SECTION. Sec. 13. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

NEW SECTION. Sec. 14. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 15. There is appropriated to the state employees' insurance board from the general fund, the sum of ten thousand dollars, or so much thereof as may be necessary, for its expenses under this act.

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CHAPTER 40  
[Senate Bill No. 311]  
OUTDOOR RECREATIONAL AREAS AND FACILITIES--  
ACQUISITION--BOND ISSUE

AN ACT Relating to state government and the support thereof; amending section 2, chapter 126, Laws of 1967 ex. sess. and RCW 43-.99A.020; amending section 3, chapter 126, Laws of 1967 ex. sess. and RCW 43.99A.030; and providing for submission of