

the pleasure of the governor. If a vacancy occurs while the senate is not in session, the governor shall make a temporary appointment until the next meeting of the senate, when he shall present to that body his nomination for the office. The director of highways shall be appointed by the state highway commission, and the director of game shall be appointed by the game commission.

Sec. 26. Section 9, chapter 103, Laws of 1973 1st ex. sess. and RCW 43.33.070 are each amended to read as follows:

In addition to its other powers and duties as may be prescribed by law, the investment advisory committee shall:

(1) Make recommendations as to general investment policies, practices, and procedures to the ~~((board of the Washington public employees' retirement system as constituted under RCW 41.40.030 and 41.26.050 and to the board of trustees of the Washington state teachers' retirement system,))~~ director of retirement systems regarding those retirement funds for which ((they)) the various retirement boards are designated trustees((-));

(2) Make recommendations as to general investment policies, practices, and procedures regarding all other investment funds to the state finance committee.

~~((Such boards of trustees))~~ The director of retirement systems and the state finance committee shall make the final decision regarding the advice and recommendations submitted by the investment advisory committee.

NEW SECTION. Sec. 27. Sections 1 and 2 of this 1976 amendatory act are added to chapter 41.04 RCW.

NEW SECTION. Sec. 28. If any provision of this 1976 amendatory 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. 29. This 1976 amendatory 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.

Passed the Senate March 12, 1976.

Passed the House March 10, 1976.

Approved by the Governor March 19, 1976.

Filed in Office of Secretary of State March 19, 1976.

CHAPTER 106

[Substitute House Bill No. 779]

PUBLIC EMPLOYEES' INSURANCE PROGRAMS

AN ACT Relating to public employment; amending section 1, chapter 39, Laws of 1970 ex. sess. as amended by section 12, chapter 147, Laws of 1973 1st ex. sess. and RCW 41.05.010; amending section 2, chapter 39, Laws of 1970 ex. sess. as amended by section 1, chapter 147, Laws of 1973 1st ex. sess. and RCW 41.05.020; amending section 5, chapter 39, Laws of 1970 ex. sess. as last amended by section 2, chapter 38, Laws of 1975 1st ex. sess. and RCW 41.05.050; amending section 7, chapter 39, Laws of 1970 ex. sess. and RCW 41.05.070; amending section 8, chapter 39, Laws of 1970 ex. sess. as amended by section 7, chapter 147, Laws of 1973 1st ex. sess. and RCW 41.05.080; amending section 36.32.400, chapter 4, Laws of 1963 and RCW 36.32.400; and adding a new section to chapter 41.04 RCW.

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

NEW SECTION. Section 1. There is added to chapter 41.04 RCW a new section to read as follows:

(1) Notwithstanding the provisions of RCW 41.04.180, the employees, with their dependents, of any county, municipality, or other political subdivision of this state shall be eligible to participate in any insurance program administered under chapter 41.05 RCW if the legislative authority of any such county, municipality, or other political subdivisions of this state determines a transfer to an insurance program administered under chapter 41.05 RCW should be made: PROVIDED, That this section shall have no application to school district personnel provided for in RCW 28A.58.420 and members of the law enforcement officers' and fire fighters' retirement system under chapter 41.26 RCW: PROVIDED FURTHER, That in the event of a special district employee transfer pursuant to this section, members of the governing authority shall be eligible to be included in such transfer if such members are authorized by law as of the effective date of this 1976 amendatory act to participate in the insurance program being transferred from and subject to payment by such members of all costs of insurance for members.

(2) When the legislative authority of a county, municipality, or other political subdivision determines to so transfer, the state employees' insurance board, as defined in RCW 41.05.010 as now or hereafter amended, shall:

(a) Establish the conditions under which the transfer may be made, which shall include the requirements that:

(i) All the eligible employees of the political subdivision transfer as a unit, and
 (ii) the political subdivision involved obligate itself to make employer contributions in an amount at least equal to those provided by the state as employer; and

(b) Hold public hearings on the application for transfer; and

(c) Have the sole right to reject the application.

Approval of the application by the state employees' insurance board shall effect a transfer of the employees involved to the insurance or health care program applied for.

Sec. 2. Section 1, chapter 39, Laws of 1970 ex. sess. as amended by section 12, chapter 147, Laws of 1973 1st ex. sess. and RCW 41.05.010 are each amended to read as follows:

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 RCW 41.05.020.

(2) "Employee" shall include all full time and career seasonal employees of the state, a county, a municipality, or other political subdivision 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; justices of the supreme court and judges of the court of appeals and the superior courts; and members of the state legislature or of the legislative authority of any county, city, or town who are elected to office after February 20, 1970.

(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.

Sec. 3. Section 2, chapter 39, Laws of 1970 ex. sess. as amended by section 1, chapter 147, Laws of 1973 1st ex. sess. and RCW 41.05.020 are each amended to read as follows:

(1) There is hereby created a state employees' insurance board to be composed as follows: The governor or his designee; one administrative officer representing all of higher education to be appointed by the governor; two higher education faculty members to be appointed by the governor; the director of the department of personnel who shall act as trustee; one representative of an employee association certified as an exclusive representative of at least one bargaining unit of classified employees and one representative of an employee union certified as exclusive representative of at least one bargaining unit of classified employees, both to 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 terms of office of the administrative officer representing higher education, the two higher education faculty members, the representative of an employee association, and the representative of an employee union shall be for four years: PROVIDED, That the first term of one faculty member and one employee association or union representative member shall be for three years. 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, life insurance, liability insurance, accidental death and dismemberment insurance, and disability income insurance or any one of, or a combination of, the enumerated types of insurance and health care plans for state employees, employees of county, municipal, or other political subdivisions of the state, and their dependents on the best basis possible with relation both to the welfare of the employees and to the state: PROVIDED, That liability insurance shall not be made available to dependents. 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: PROVIDED, That all contracts for insurance, health care plans, or protection applying to employees covered by ((this 1973 amendatory act)) RCW 28B.10.660 and 48.24.010 and chapters 41.04 and 41.05 RCW shall provide that the beneficiaries of such insurance, health care plans, or protection may utilize on an equal

participation basis the services of practitioners licensed pursuant to chapters 18-22, 18.25, 18.32, 18.53, 18.57, 18.71, 18.74, 18.83, and 18.88 RCW: PROVIDED FURTHER, That the boards of trustees and boards of regents of the several institutions of higher education shall retain sole authority to provide liability insurance as provided in RCW 28B.10.660. The board shall from time to time review and amend such plans. Contracts for all plans shall be rebid and awarded at least every five years.

(3) The board shall develop and provide employee health care benefit plans; at least one plan will provide major medical benefits as its primary feature, at least one plan will provide basic first-dollar benefits as its primary feature plus major medical, either or all 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 health care benefit plans sponsored by the board: PROVIDED FURTHER, That employees of the institutions of higher education shall be retained as a separate actuarial and experience group and the board shall report its recommendation on such retention to the legislative budget committee by November 1, 1974.

Sec. 4. Section 5, chapter 39, Laws of 1970 ex. sess. as last amended by section 2, chapter 38, Laws of 1975 1st ex. sess. and RCW 41.05.050 are each amended to read as follows:

(1) Every department, division, or separate agency of state government, and such county, municipal, or other political subdivisions as are covered by this chapter, shall provide contributions to insurance and health care plans for its employees and their dependents, the content of such plans to be determined by the state employees insurance board. Such contributions, which shall be paid by the county, the municipality, or other political subdivision for their employees, shall include an amount determined by the state employee's insurance board to pay the administrative expenses of the board and the salaries and wages and expenses of the benefits supervisor and other necessary personnel: PROVIDED, That this administrative service charge for state employees shall not result in an employer contribution in excess of the amount authorized by the governor and the legislature as prescribed in RCW 41.05.050(2), and that the sum of an employee's insurance premiums and administrative service charge in excess of such employer contribution shall be paid by the employee. All such contributions will be paid into the state employees insurance fund to be expended in accordance with RCW 41.05.030.

(2) The contributions of any department, division, or separate agency of the state government, and such county, municipal, or other political subdivisions as are covered by this chapter, shall be set by the state employees insurance board, subject to the approval of the governor for availability of funds as specifically appropriated by the legislature for that purpose: PROVIDED, That nothing herein

shall be a limitation on employees employed under chapter 47.64 RCW: PROVIDED FURTHER, That provision for school district personnel shall not be made under this chapter.

(3) The trustee with the assistance of the department of personnel shall annually survey private industry in the state of Washington to determine the maximum average employer contribution for group insurance programs under the jurisdiction of the state employees insurance board. Such survey shall be reported to the board for its use in setting the amount of the contributions to the various insurance programs (~~by departments, divisions, and separate agencies of state government~~) as are covered by this chapter.

Sec. 5. Section 7, chapter 39, Laws of 1970 ex. sess. and RCW 41.05.070 are each amended to read as follows:

The cost of any health care insurance contracts or plans to any department, division or separate agency of state, county, municipal, or other political subdivision 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.

Sec. 6. Section 8, chapter 39, Laws of 1970 ex. sess. as amended by section 7, chapter 147, Laws of 1973 1st ex. sess. and RCW 41.05.080 are each amended to read as follows:

Retired or disabled state employees, or employees of county, municipal, or other political subdivisions covered by this chapter who are retired, may continue their participation in insurance plans and contracts after retirement or disablement, under the qualifications, terms, conditions, and benefits set by the board: PROVIDED, That the rates charged such retired or disabled (~~state~~) employees for health care coverage shall be identical to that charged active participants: PROVIDED FURTHER, That such retired or disabled employees shall bear the full cost of premiums required to provide such coverage. The term "retired state employees" for the purpose of this section shall include but not be limited to members of the legislature whether voluntarily or involuntarily leaving state office.

Sec. 7. Section 36.32.400, chapter 4, Laws of 1963 and RCW 36.32.400 are each amended to read as follows:

Any county by a majority vote of its board of county commissioners may enter into contracts to provide health care services and/or group insurance for the benefit of its employees, and may pay all or any part of the cost thereof. Any two or more counties, by a majority vote of their respective boards of county commissioners may, if deemed expedient, join in the procuring of such health care services and/or group insurance, and the board of county commissioners of each participating county may, by appropriate resolution, authorize their respective counties to pay all or any portion of the cost thereof.

Nothing in this section shall impair the eligibility of any employee of a county, municipality, or other political subdivision under section 1 of this 1976 amendatory act.

Passed the House March 12, 1976.

Passed the Senate March 11, 1976.

Approved by the Governor March 19, 1976.

Filed in Office of Secretary of State March 19, 1976.

CHAPTER 107

[House Bill No. 1441]

COMMUNITY COLLEGE CAPITAL CONSTRUCTION—GENERAL OBLIGATION BONDS

AN ACT Relating to community colleges; authorizing the issuance and sale of state general obligation bonds, including bond anticipation notes, to fund community college capital projects; providing ways and means for the payment of the principal of and interest on such bonds and notes; creating new sections; adding new sections as a new chapter to Title 28B RCW; and declaring an emergency.

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

NEW SECTION. Section 1. The legislature has approved by its appropriation of funds from time to time, capital projects for the state community colleges, which appropriations have been funded primarily by the issuance of general tuition fee, limited obligation bonds by the state board for community college education (hereinafter in this 1976 act called the "college board"). In order that any future appropriations for such approved capital projects may be funded on terms most advantageous to the state, it is hereby determined to be in the public interest to provide for the issuance of state general obligation bonds, in lieu of general tuition fee, limited obligation bonds.

For purposes of this 1976 act, "community college capital projects" means the construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of buildings and other capital assets owned by the state board for community college education in the name of the state of Washington, and the acquisition of sites, rights-of-way, easements, improvements or appurtenances in relation thereto.

NEW SECTION. Sec. 2. For the purpose of financing the community college capital projects as determined by the legislature in its capital appropriation act, chapter ..., Laws of 1975-76 2nd ex. sess., the state finance committee is hereby authorized to issue from time to time general obligation bonds of the state of Washington in the aggregate principal amount of twenty-six million four hundred eighty-seven thousand dollars, or so much thereof as may be required for such purposes, to be paid and discharged within thirty years of the date or dates of issuance, in accordance with Article VIII, section 1 of the Constitution of the state of Washington.

NEW SECTION. Sec. 3. When the state finance committee has determined to issue such general obligation bonds, or a portion thereof, it may, pending the issuance thereof, issue in the name of the state temporary notes in anticipation of