

THIRTY EIGHTH DAY**MORNING SESSION**

Senate Chamber, Olympia
Wednesday, February 14, 2018

The Senate was called to order at 9:03 a.m. by the President Pro Tempore, Senator Keiser presiding. The Secretary called the roll and announced to the President Pro Tempore that all Senators were present with the exception of Senators Baumgartner and Walsh.

The Sergeant at Arms Color Guard consisting of Pages Mr. Rudy Voetberg and Miss Tess Snyder, presented the Colors.

Miss Olivia Marty led the Senate in the Pledge of Allegiance.

The prayer was offered by Mr. Adam Jamal, Director of Education and Assistant Imam with the Muslim Association of Puget Sound. He was accompanied by his wife Badeea Qureshi and their son Khalil Jamal.

MOTION

On motion of Senator Liias, the reading of the Journal of the previous day was dispensed with and it was approved.

MOTION

On motion of Senator Liias, the Senate advanced to the fifth order of business.

INTRODUCTION AND FIRST READING

HB 1470 by Representatives Hudgins, Koster, Haler, Griffey, Manweller and Doglio

AN ACT Relating to declaration of candidacy; and amending RCW 29A.24.070 and 29A.24.091.

Referred to Committee on State Government, Tribal Relations & Elections.

2SHB 1513 by House Committee on State Government, Elections & Information Technology (originally sponsored by Representatives Bergquist, Stambaugh, Frame, Hudgins, Sawyer, Slatter, Macri, Gregerson, Peterson, McBride, Doglio, Appleton, Fitzgibbon, Goodman, Tharinger, Farrell, Pollet, Ormsby, Dolan and Riccelli)

AN ACT Relating to collecting youth voter registration sign up information; amending RCW 28A.230.150, 29A.08.110, 29A.08.125, 29A.08.210, 29A.08.615, 29A.08.710, 29A.08.720, 29A.08.760, 29A.84.140, 46.20.155, 42.56.230, 29A.08.330, and 29A.08.770; reenacting and amending RCW 42.56.250; adding a new section to chapter 29A.04 RCW; adding new sections to chapter 29A.08 RCW; creating a new section; prescribing penalties; and providing an effective date.

Referred to Committee on State Government, Tribal Relations & Elections.

SHB 1539 by House Committee on Education (originally sponsored by Representatives McCabe, Orwall, Griffey, Caldier, Senn, Dent, Gregerson, Smith, Kraft, Doglio and Kagi)

AN ACT Relating to a curriculum for the prevention of sexual abuse of students; amending RCW 28A.300.150 and 28A.300.160; adding a new section to chapter 28A.230 RCW; and creating a new section.

Referred to Committee on Early Learning & K-12 Education.

SHB 1558 by House Committee on Appropriations (originally sponsored by Representatives Kilduff, MacEwen, Sawyer, Hayes, Harris, Griffey, Ormsby, Riccelli, Bergquist, Dolan, Doglio, Lovick, Ryu, Goodman, Peterson, Fitzgibbon, Muri, Stanford and Fey)

AN ACT Relating to membership in the Washington public safety employees' retirement system for employees who provide nursing care to, or ensure the custody and safety of, offender, probationary, and patient populations in institutions and centers; amending RCW 41.37.010; and adding a new section to chapter 41.37 RCW.

Referred to Committee on Ways & Means.

SHB 2001 by House Committee on Finance (originally sponsored by Representative Nealey)
AN ACT Relating to taxes on in-state broadcasters; amending RCW 82.04.280 and 82.32.790; and providing a contingent effective date.

Referred to Committee on Ways & Means.

SHB 2229 by House Committee on Health Care & Wellness (originally sponsored by Representative Macri)
AN ACT Relating to the applicability of dental practice laws to integrated care delivery systems; and amending RCW 18.32.675.

Referred to Committee on Health & Long Term Care.

SHB 2264 by House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Harris, Slatter, Macri, Stonier, Robinson, DeBolt, Johnson, McBride, Tharinger, Dolan, Kloba, Appleton, Jinkins and Ormsby)

AN ACT Relating to hospital privileges for advanced registered nurse practitioners and physician assistants; and amending RCW 70.41.230.

Referred to Committee on Health & Long Term Care.

SHB 2289 by House Committee on Judiciary (originally sponsored by Representatives Kilduff, Muri, Jinkins, Fey, Sawyer and Gregerson)

AN ACT Relating to the release and commitment of persons involuntarily committed after the dismissal of a felony; amending RCW 71.05.325, 71.05.325, 71.05.330, 71.05.335, 71.05.340, 71.05.340, and 10.77.270; adding new sections to chapter 71.05 RCW; providing an effective date; providing an expiration date; and declaring an emergency.

Referred to Committee on Human Services & Corrections.

SHB 2308 by House Committee on Judiciary (originally sponsored by Representatives Jinkins, Graves, Stokesbary, Kilduff, Valdez, Ortiz-Self, Santos, Goodman, Fey, Bergquist, Sawyer, Tharinger, Pellicciotti, Dolan, Haler, Frame, Stanford, Macri, Kloba, Ryu, Appleton, Doglio, Young and Stonier)
AN ACT Relating to civil legal aid; and amending RCW 2.53.020, 2.53.030, and 2.53.045.

Referred to Committee on Law & Justice.

HB 2368 by Representatives Goodman, Rodne, Sawyer, Haler and Appleton
AN ACT Relating to making technical corrections and removing obsolete language from the Revised Code of Washington pursuant to RCW 1.08.025; amending RCW 1.20.051, 6.23.120, 6.27.060, 9A.56.130, 11.02.005, 13.40.193, 15.24.100, 26.50.070, 43.43.823, 46.55.080, and 90.56.335; reenacting RCW 43.21B.005 and 51.32.095; creating a new section; repealing RCW 82.04.4483; and providing an expiration date.

Referred to Committee on Law & Justice.

HB 2387 by Representatives Hudgins, Tarleton and Young
AN ACT Relating to mandatory election audits of ballot counting equipment; and amending RCW 29A.60.170.

Referred to Committee on State Government, Tribal Relations & Elections.

2SHB 2390 by House Committee on Appropriations (originally sponsored by Representatives Pollet, Haler, Tarleton, McBride, Peterson, Dolan, Frame, Valdez, Kilduff, Senn, Stanford, Kloba, Clibborn, Macri, Ryu, Doglio, Riccelli and Gregerson)
AN ACT Relating to opioid overdose medication at kindergarten through twelfth grade schools and higher education institutions; amending RCW 28A.210.260 and 28A.210.270; adding new sections to chapter 28A.210 RCW; adding a new section to chapter 28B.10 RCW; and creating a new section.

Referred to Committee on Health & Long Term Care.

HB 2446 by Representatives Graves, Jinkins, Cody, Macri, Robinson, Riccelli and Kloba
AN ACT Relating to physical therapist supervision of assistive personnel; and amending RCW 18.74.010 and 18.74.180.

Referred to Committee on Health & Long Term Care.

SHB 2516 by House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Harris, Jinkins, Robinson, Tharinger, Caldier and Macri)
AN ACT Relating to modernizing the health benefit exchange statutes by aligning statutes with current practice and making clarifying changes to the health benefit exchange enabling statute; amending RCW 43.71.010, 43.71.020, 43.71.030, 43.71.060, 43.71.065, 43.71.070, 43.71.075, 43.71.080, and 48.43.039; and repealing RCW 43.71.035, 43.71.040, 43.71.050, and 43.71.090.

Referred to Committee on Health & Long Term Care.

HB 2527 by Representatives Hudgins, McBride and Shea
AN ACT Relating to evaluating random check procedures for ballot counting equipment; and amending RCW 29A.60.170.

Referred to Committee on State Government, Tribal Relations & Elections.

SHB 2528 by House Committee on Public Safety (originally sponsored by Representatives Hudgins and Wylie)
AN ACT Relating to providing for the coordination of continuity of operations efforts for elections; amending RCW 38.52.030; and creating a new section.

Referred to Committee on State Government, Tribal Relations & Elections.

HB 2539 by Representatives Peterson, Griffey, Kloba and Robinson
AN ACT Relating to public hospital district health and wellness promotion activities and superintendent appointment and removal; and amending RCW 70.44.007 and 70.44.070.

Referred to Committee on Local Government.

SHB 2627 by House Committee on Finance (originally sponsored by Representatives Springer and Stokesbary)
AN ACT Relating to authorizations of proposals for emergency medical care and service levies; and amending RCW 84.52.069.

Referred to Committee on Ways & Means.

SHB 2651 by House Committee on Appropriations (originally sponsored by Representatives Stanford, Johnson, Macri, Haler, Tharinger, Goodman, Caldier, Appleton, Harris, Jinkins, Barkis, Dolan, Senn, Gregerson, Wylie, Tarleton, McBride, Doglio, Eslick, Pollet, Slatter, Fey and Santos)
AN ACT Relating to increasing the personal needs allowance for people in residential and institutional care settings; and amending RCW 74.09.340.

Referred to Committee on Ways & Means.

HB 2669 by Representatives Doglio, Ormsby, Hudgins, Valdez, Fitzgibbon, Jinkins, Goodman, Macri, Ortiz-Self, Stanford, Ryu and Pollet
AN ACT Relating to adding part-time employees to state civil service; and amending RCW 41.06.070.

Referred to Committee on State Government, Tribal Relations & Elections.

HB 2682 by Representatives Buys, Blake, Dent, Chandler and Fitzgibbon
AN ACT Relating to exempting hop grower lot information used in the state department of agriculture export document from public disclosure; and amending RCW 42.56.380.

Referred to Committee on Agriculture, Water, Natural Resources & Parks.

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

SHB 2712 by House Committee on Appropriations (originally sponsored by Representatives Gregerson, Appleton, Bergquist, Stokesbary, Pollet, Dent, Senn, Calder, Irwin, Stambaugh, Lovick, Sells, Pettigrew, Hudgins, Wylie, Tarleton, Macri, Sullivan, McBride, Stanford, Doglio, Dolan, Kloba, Valdez, Chapman, Slatter, Orwall, Riccelli, Jinkins, Pellicciotti, Ormsby, Kilduff, Sawyer, McDonald, Peterson, Tharinger, Frame, Goodman, Santos and Kagi)

AN ACT Relating to eliminating lunch copays for students who qualify for reduced-price lunches; amending RCW 28A.235.160; creating a new section; providing an effective date; and declaring an emergency.

Referred to Committee on Early Learning & K-12 Education.

HB 2733 by Representatives Orcutt, Chapman, Maycumber, Tharinger, Dent, Kretz, Blake, Fitzgibbon and Muri
AN ACT Relating to establishing a prescribed burn certification program at the department of natural resources; and adding a new section to chapter 76.04 RCW.

Referred to Committee on Agriculture, Water, Natural Resources & Parks.

HB 2751 by Representatives Stonier, Valdez, Kloba, Macri, Stanford, Appleton, Jinkins, Fitzgibbon, Bergquist, Goodman, Gregerson, Doglio, Pollet and Frame
AN ACT Relating to the deduction of union dues and fees; and amending RCW 28B.52.045, 41.56.110, 41.59.060, 41.76.045, 41.80.100, and 49.39.080.

Referred to Committee on Labor & Commerce.

HB 2785 by Representatives Dent, Senn, McCaslin, Kagi, Goodman, Klippert, Lovick, Eslick, Griffey, Calder, Reeves, Hargrove, Valdez, Frame and Steele
AN ACT Relating to providing the list of foster parent rights and responsibilities to prospective and current foster parents; and amending RCW 43.216.015.

Referred to Committee on Human Services & Corrections.

SHB 2833 by House Committee on Appropriations (originally sponsored by Representatives Morris, Schmick and Hudgins)
AN ACT Relating to transferring duties of the life sciences discovery fund; amending RCW 43.350.040, 43.350.050, and 43.350.070; adding new sections to chapter 43.330 RCW; recodifying RCW 43.350.040, 43.350.050, and 43.350.070; repealing RCW 43.350.005, 43.350.010, 43.350.020, 43.350.030, 43.350.060, 43.350.901, and 43.350.903; and providing an effective date.

Referred to Committee on Health & Long Term Care.

SHB 2855 by House Committee on Early Learning & Human Services (originally sponsored by Representatives Stonier, Appleton, Haler, Lovick, Orwall, Sells, Wylie, Eslick and Hayes)

AN ACT Relating to the sharing of information between participants in multidisciplinary coordination of child sexual abuse investigations; and amending RCW 26.44.180.

Referred to Committee on Law & Justice.

HB 2894 by Representatives Schmick and Cody
AN ACT Relating to certificate of need exemptions for certain ambulatory facilities and centers; amending RCW 70.38.111; and declaring an emergency.

Referred to Committee on Health & Long Term Care.

HB 2962 by Representative Hudgins
AN ACT Relating to statutory deadlines for redistricting plans; and amending RCW 44.05.100.

Referred to Committee on State Government, Tribal Relations & Elections.

HJM 4011 by Representatives Blake, Chapman, Lovick, Walsh, Kilduff, Tharinger and Muri
Requesting that the United States Coast Guard name a Coast Guard cutter in honor of Petty Officer Matthew E. Schlimme.

Referred to Committee on State Government, Tribal Relations & Elections.

MOTION

On motion of Senator Liias, all measures listed on the Introduction and First Reading report were referred to the committees as designated.

MOTION

On motion of Senator Liias, Rule 15 was suspended for the remainder of the day for the purpose of allowing continued floor action.

EDITOR'S NOTE: Senate Rule 15 establishes the floor schedule and calls for a lunch and dinner break of 90 minutes each per day during regular daily sessions.

MOTION TO LIMIT DEBATE

Pursuant to Rule 29, on motion of Senator Liias and without objection, senators were limited to speaking but once and for no more than three minutes on each question under debate for the remainder of the day by voice vote.

MOTION

On motion of Senator Liias, the Senate advanced to the seventh order of business.

THIRD READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Liias moved that Elizabeth L. Baum, Senate Gubernatorial Appointment No. 9078, be confirmed as a member of the Housing Finance Commission.

Senators Liias and Angel spoke in favor of the motion.

MOTION

On motion of Senator Fain, Senators Baumgartner, Braun, Ericksen, Miloscia and Rivers were excused.

MOTION

On motion of Senator Liias, Senators Hobbs and Zeiger were excused.

APPOINTMENT OF ELIZABETH L. BAUM

The President Pro Tempore declared the question before the Senate to be the confirmation of Elizabeth L. Baum, Senate Gubernatorial Appointment No. 9078, as a member of the Housing Finance Commission.

The Secretary called the roll on the confirmation of Elizabeth L. Baum, Senate Gubernatorial Appointment No. 9078, as a member of the Housing Finance Commission and the appointment was confirmed by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 3.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senators Baumgartner, Hobbs and Miloscia

Elizabeth L. Baum, Senate Gubernatorial Appointment No. 9078, having received the constitutional majority was declared confirmed as a member of the Housing Finance Commission.

MOTION

Senator Angel moved that Ken A. Larsen, Senate Gubernatorial Appointment No. 9086, be confirmed as a member of the Housing Finance Commission.

Senator Angel spoke in favor of the motion.

APPOINTMENT OF KEN A. LARSEN

The President Pro Tempore declared the question before the Senate to be the confirmation of Ken A. Larsen, Senate Gubernatorial Appointment No. 9086, as a member of the Housing Finance Commission.

The Secretary called the roll on the confirmation of Ken A. Larsen, Senate Gubernatorial Appointment No. 9086, as a member of the Housing Finance Commission and the appointment was confirmed by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 3.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senators Baumgartner, Hobbs and Miloscia

Ken A. Larsen, Senate Gubernatorial Appointment No. 9086, having received the constitutional majority was declared confirmed as a member of the Housing Finance Commission.

MOTION

Senator Angel moved that Wendy L. Lawrence, Senate Gubernatorial Appointment No. 9087, be confirmed as a member of the Housing Finance Commission.

Senator Angel spoke in favor of the motion.

APPOINTMENT OF WENDY L. LAWRENCE

The President declared the question before the Senate to be the confirmation of Wendy L. Lawrence, Senate Gubernatorial Appointment No. 9087, as a member of the Housing Finance Commission.

The Secretary called the roll on the confirmation of Wendy L. Lawrence, Senate Gubernatorial Appointment No. 9087, as a member of the Housing Finance Commission and the appointment was confirmed by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 3.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senators Baumgartner, Hobbs and Miloscia

Wendy L. Lawrence, Senate Gubernatorial Appointment No. 9087, having received the constitutional majority was declared confirmed as a member of the Housing Finance Commission.

PERSONAL PRIVILEGE

Senator Keiser: "When I was presiding this morning I was thrilled to have a new face join us, or not a new face, but a face we all know return and join us in the vote on our first gubernatorial nomination. And I want to welcome back Senator Walsh to our chamber. We all have missed her. We all have been praying for her. And we are so thrilled that she has returned to us in glowing good health. Thank you."

REMARKS BY SENATOR LIAS

Senator Liias: "Thank you Mr. President. I think it is appropriate that Senator Walsh joined us on Valentine's Day, because she is one of the most loving people here in the chambers. So, we are thrilled to have her back."

MOTION

At 9:26 a.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President.

The Senate was called to order at 10:18 a.m. by President Habib.

MOTION

On motion of Senator Liias, the Senate reverted to the fourth order of business.

MESSAGE FROM THE HOUSE

February 13, 2018

MR. PRESIDENT:

The House has passed:

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

SUBSTITUTE HOUSE BILL NO. 1063,
 SECOND SUBSTITUTE HOUSE BILL NO. 1325,
 SUBSTITUTE HOUSE BILL NO. 1656,
 SUBSTITUTE HOUSE BILL NO. 1953,
 SECOND SUBSTITUTE HOUSE BILL NO. 1987,
 SECOND SUBSTITUTE HOUSE BILL NO. 2015,
 HOUSE BILL NO. 2208,
 SUBSTITUTE HOUSE BILL NO. 2290,
 HOUSE BILL NO. 2313,
 SUBSTITUTE HOUSE BILL NO. 2317,
 HOUSE BILL NO. 2358,
 SUBSTITUTE HOUSE BILL NO. 2423,
 HOUSE BILL NO. 2430,
 HOUSE BILL NO. 2445,
 SUBSTITUTE HOUSE BILL NO. 2561,
 SECOND SUBSTITUTE HOUSE BILL NO. 2572,
 HOUSE BILL NO. 2611,
 SECOND SUBSTITUTE HOUSE BILL NO. 2671,
 SUBSTITUTE HOUSE BILL NO. 2692,
 SUBSTITUTE HOUSE BILL NO. 2696,
 SUBSTITUTE HOUSE BILL NO. 2723,
 SUBSTITUTE HOUSE BILL NO. 2774,
 HOUSE BILL NO. 2775,
 SUBSTITUTE HOUSE BILL NO. 2786,
 SUBSTITUTE HOUSE BILL NO. 2809,
 SUBSTITUTE HOUSE BILL NO. 2817,
 SUBSTITUTE HOUSE BILL NO. 2818,
 SUBSTITUTE HOUSE BILL NO. 2928,
 SUBSTITUTE HOUSE BILL NO. 2975,

Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senators Baumgartner and Hobbs

SUBSTITUTE SENATE BILL NO. 6132, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6410, by Senator Padden

Concerning school safety.

MOTIONS

On motion of Senator Padden, Second Substitute Senate Bill No. 6410 was substituted for Senate Bill No. 6410 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Padden, the rules were suspended, Second Substitute Senate Bill No. 6410 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Padden spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 6410.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 6410 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Baumgartner

SECOND SUBSTITUTE SENATE BILL NO. 6410, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6162, by Senators Zeiger, Wellman, Palumbo and Mullet

Defining dyslexia as a specific learning disability and requiring early screening for dyslexia.

MOTION

On motion of Senator Zeiger, Second Substitute Senate Bill

and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

MOTION

On motion of Senator Liias, the Senate advanced to the sixth order of business.

SECOND READING

SENATE BILL NO. 6132, by Senators Wellman, Zeiger, Chase and Hasegawa

Modifying provisions on second grade reading assessments.

MOTIONS

On motion of Senator Liias, Substitute Senate Bill No. 6132 was substituted for Senate Bill No. 6132 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Liias, the rules were suspended, Substitute Senate Bill No. 6132 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Liias spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6132.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6132 and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra,

No. 6162 was substituted for Senate Bill No. 6162 and the substitute bill was placed on the second reading and read the second time.

WITHDRAWAL OF AMENDMENT

On motion of Senator Zeiger and without objection, floor amendment no. 606 by Senators Wellman and Zeiger on page 3, line 16 to Second Substitute Senate Bill No. 6162 was withdrawn.

On page 3, after line 16, insert the following:

"NEW SECTION. Sec. 5. A new section is added to chapter 28A.320 RCW to read as follows:

Beginning with the 2018-19 school year, if a school is screening students for indicators of dyslexia, then the school must report the number of students and grade levels of the students screened. This data must be disaggregated by subgroups of students. The school district shall aggregate the reports from the schools and provide the reports to the office of the superintendent of public instruction. The office of the superintendent of public instruction and dyslexia advisory council must use this data when developing options in accordance with section 4 of this act for the best way to implement dyslexia screenings. The dyslexia advisory council must also use this data in its ongoing advising of the office of the superintendent of public instruction on dyslexia."

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

On page 1, line 4 of the title, after "RCW;" strike "and" and after "28A.300 RCW" insert "; and adding a new section to chapter 28A.320 RCW"

MOTION

Senator Zeiger moved that the following floor amendment no. 654 by Senators Wellman and Zeiger be adopted:

On page 3, after line 16, insert the following:

"NEW SECTION. Sec. 5. A new section is added to chapter 28A.320 RCW to read as follows:

Beginning with the 2018-19 school year, as part of the annual student assessment inventory, if a school is screening students for indicators of dyslexia, then the school must report the number of students and grade levels of the students screened. This data must be disaggregated by subgroups of students. The school district shall aggregate the reports from the schools and provide the reports to the office of the superintendent of public instruction. The office of the superintendent of public instruction and dyslexia advisory council must use this data when developing options in accordance with section 4 of this act for the best way to implement dyslexia screenings. The dyslexia advisory council must also use this data in its ongoing advising of the office of the superintendent of public instruction on dyslexia."

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

On page 1, line 4 of the title, after "RCW;" strike "and" and after "28A.300 RCW" insert "; and adding a new section to chapter 28A.320 RCW"

Senators Zeiger and Wellman spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 654 by Senators Wellman and Zeiger on page 3, after line 16 to Second Substitute Senate Bill No. 6162.

The motion by Senator Zeiger carried and floor amendment no. 654 was adopted by voice vote.

MOTION

On motion of Senator Zeiger, the rules were suspended, Engrossed Second Substitute Senate Bill No. 6162 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Zeiger and Wellman spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 6162.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6162 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Baumgartner

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6162, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6340, by Senators Conway, Bailey, Hobbs, Walsh, Hasegawa, Hunt, Mullet, Keiser, Palumbo and Saldaña

Providing a benefit increase to certain retirees of the public employees' retirement system plan 1 and the teachers' retirement system plan 1.

MOTIONS

On motion of Senator Conway, Substitute Senate Bill No. 6340 was substituted for Senate Bill No. 6340 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Conway, the rules were suspended, Substitute Senate Bill No. 6340 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Conway, Braun and Schoesler spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6340.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6340 and the bill passed the Senate by the

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Baumgartner

SUBSTITUTE SENATE BILL NO. 6340, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

Senator Lias moved, pursuant to Rule 18, that Senate Bill No. 6029, an act relating to establishing a student loan bill of rights, be made a special order of business to be considered at 4:55 p.m.

The President declared the question before the Senate to be the motion by Senator Lias that Senate Bill No. 6029 be made a special order of business and the motion carried by voice vote.

SECOND READING

SENATE BILL NO. 6548, by Senators Palumbo and Van De Wege

Establishing the joint legislative task force on fire service administration.

MOTION

On motion of Senator Palumbo, Substitute Senate Bill No. 6548 was substituted for Senate Bill No. 6548 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Hasegawa moved that the following floor amendment no. 662 by Senator Hasegawa be adopted:

On page 2, line 18, after "interests;" strike "and"

On page 2, line 19, after "contractors" strike "." and insert the following: "; and (xiv) the state ethnic and diversity commissions"

Senator Hasegawa spoke in favor of adoption of the amendment.

POINT OF INQUIRY

Senator King: "Thank you Mr. President, I would like to ask the sponsor of this amendment a question if he would be so kind."

Senator Hasegawa: "He has to be gentle just because I voted against all your other bills."

Senator King: "Oh no. You have done really well this session. I appreciate that. As I have read this, I can't interpret whether we are adding three members or just one member that might represent the three commissions."

Senator Hasegawa: "We are adding one member, which the commissioners themselves will decide who will represent that voice."

Senator King: "Thank you very much."

Senator Schoesler spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 662 by Senator Hasegawa on page 2, line 18 to Substitute Senate Bill No. 6548.

The motion by Senator Hasegawa carried and floor amendment no. 662 was adopted by voice vote.

MOTION

Senator Palumbo moved that the following floor amendment no. 561 by Senator Palumbo be adopted:

On page 3, after line 2, insert the following:

"(i) Review the department of natural resources' wildland fire protection strategic plan and give due consideration to the strategies, findings, and recommendations contained in the plan in preparing its report."

Senators Palumbo and Miloscia spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 561 by Senator Palumbo on page 3, after line 2 to Substitute Senate Bill No. 6548.

The motion by Senator Palumbo carried and floor amendment no. 561 was adopted by voice vote.

MOTION

On motion of Senator Palumbo, the rules were suspended, Engrossed Substitute Senate Bill No. 6548 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Palumbo, Short and Honeyford spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6548.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6548 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Baumgartner

ENGROSSED SUBSTITUTE SENATE BILL NO. 6548, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6283, by Senators Takko, Rivers and Palumbo

Repealing an expiration date that affects state fire service mobilization.

MOTIONS

On motion of Senator Takko, Substitute Senate Bill No. 6283 was substituted for Senate Bill No. 6283 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Takko, the rules were suspended, Substitute Senate Bill No. 6283 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Takko spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6283.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6283 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Baumgartner

SUBSTITUTE SENATE BILL NO. 6283, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6313, by Senators Keiser, Wellman, Frockt, Cleveland, Kuderer, Ranker, Conway and Saldaña

Concerning an employee's right to file a complaint or cause of action for sexual harassment or sexual assault in mandatory employment contracts and agreements.

MOTIONS

On motion of Senator Keiser, Substitute Senate Bill No. 6313 was substituted for Senate Bill No. 6313 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Keiser, the rules were suspended, Substitute Senate Bill No. 6313 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Keiser spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6313.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6313 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Baumgartner

SUBSTITUTE SENATE BILL NO. 6313, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6414, by Senators Billig, Conway, Lias and Saldaña

Concerning population-based representation on the governing body of public transportation benefit areas.

The measure was read the second time.

MOTION

Senator Padden moved that the following floor amendment no. 663 by Senators Padden, Schoesler and Short be adopted:

On page 1, line 16, after "area," insert "if the public transportation benefit area is west of the Cascade mountains and"

On page 4, line 19, after "if" insert "the public transportation benefit area is west of the Cascade mountains and"

Senators Padden and Schoesler spoke in favor of adoption of the amendment.

Senator Billig spoke against adoption of the amendment.

MOTION

Senator Padden demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

The President declared the question before the Senate to be the adoption of the amendment by Senators Padden, Schoesler and Short on page 1, line 16 to Senate Bill No. 6414.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senators Padden, Schoesler and Short and the amendment did not carry by the following vote: Yeas, 11; Nays, 37; Absent, 0; Excused, 1.

Voting yea: Senators Brown, Ericksen, Hawkins, Honeyford, Padden, Rivers, Schoesler, Sheldon, Short, Warnick and Wilson

Voting nay: Senators Angel, Bailey, Becker, Billig, Braun, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Fortunato, Frockt, Hasegawa, Hobbs, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban,

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko, Van De Wege, Wagoner, Walsh, Wellman and Zeiger
Excused: Senator Baumgartner.

The President declared the question before the Senate to be the adoption of floor amendment no. 663 by Senators Padden, Schoesler and Short on page 1, line 16 to Senate Bill No. 6414.

The motion by Senator Padden failed and floor amendment no. 663 was not adopted by voice vote.

MOTION

On motion of Senator Billig, the rules were suspended, Senate Bill No. 6414 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Billig spoke in favor of passage of the bill.

Senators Short, Schoesler, O'Ban, Zeiger, Becker and Padden spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6414.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6414 and the bill passed the Senate by the following vote: Yeas, 25; Nays, 23; Absent, 0; Excused, 1.

Voting yea: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko, Van De Wege and Wellman

Voting nay: Senators Angel, Bailey, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, Miloscia, O'Ban, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Walsh, Warnick, Wilson and Zeiger

Excused: Senator Baumgartner

SENATE BILL NO. 6414, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Liias, the Senate advanced to the seventh order of business.

THIRD READING
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Van De Wege moved that Steven S. Milner, Senate Gubernatorial Appointment No. 9225, be confirmed as a member of the Parks and Recreation Commission.

Senators Van De Wege and Hawkins spoke in favor of passage of the motion.

APPOINTMENT OF STEVEN S. MILNER

The President declared the question before the Senate to be the confirmation of Steven S. Milner, Senate Gubernatorial Appointment No. 9225, as a member of the Parks and Recreation Commission.

The Secretary called the roll on the confirmation of Steven S. Milner, Senate Gubernatorial Appointment No. 9225, as a member of the Parks and Recreation Commission and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Baumgartner

Steven S. Milner, Senate Gubernatorial Appointment No. 9225, having received the constitutional majority was declared confirmed as a member of the Parks and Recreation Commission.

MOTION

Senator Pedersen moved that Catherine Shaffer, Senate Gubernatorial Appointment No. 9110, be confirmed as a member of the Sentencing Guidelines Commission.

Senator Pedersen spoke in favor of the motion.

APPOINTMENT OF CATHERINE SHAFFER

The President declared the question before the Senate to be the confirmation of Catherine Shaffer, Senate Gubernatorial Appointment No. 9110, as a member of the Sentencing Guidelines Commission.

The Secretary called the roll on the confirmation of Catherine Shaffer, Senate Gubernatorial Appointment No. 9110, as a member of the Sentencing Guidelines Commission and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Baumgartner

Catherine Shaffer, Senate Gubernatorial Appointment No. 9110, having received the constitutional majority was declared confirmed as a member of the Sentencing Guidelines Commission.

MOTION

Senator Hunt moved that Don Bonker, Senate Gubernatorial Appointment No. 9131, be confirmed as a member of the Columbia River Gorge Commission.

Senator Hunt spoke in favor of the motion.

APPOINTMENT OF DON BONKER

The President declared the question before the Senate to be the confirmation of Don Bonker, Senate Gubernatorial Appointment No. 9131, as a member of the Columbia River Gorge

Commission.

The Secretary called the roll on the confirmation of Don Bonker, Senate Gubernatorial Appointment No. 9131, as a member of the Columbia River Gorge Commission and the appointment was confirmed by the following vote: Yeas, 46; Nays, 2; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Voting nay: Senators Honeyford and Schoesler

Excused: Senator Baumgartner

Don Bonker, Senate Gubernatorial Appointment No. 9131, having received the constitutional majority was declared confirmed as a member of the Columbia River Gorge Commission.

MOTION

Senator Braun moved that Kay M. Brown, Senate Gubernatorial Appointment No. 9170, be confirmed as a member of the Pollution Control/Shorelines Hearings Board.

Senator Braun spoke in favor of the motion.

APPOINTMENT OF KAY M. BROWN

The President declared the question before the Senate to be the confirmation of Kay M. Brown, Senate Gubernatorial Appointment No. 9170, as a member of the Pollution Control/Shorelines Hearings Board.

The Secretary called the roll on the confirmation of Kay M. Brown, Senate Gubernatorial Appointment No. 9170, as a member of the Pollution Control/Shorelines Hearings Board and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Baumgartner

Kay M. Brown, Senate Gubernatorial Appointment No. 9170, having received the constitutional majority was declared confirmed as a member of the Pollution Control/Shorelines Hearings Board.

MOTION

On motion of Senator Liias, the Senate reverted to the sixth order of business.

The Senate resumed consideration of Second Substitute Senate Bill No. 5935 which had been deferred on February 10, 2018.

SECOND READING

SECOND SUBSTITUTE SENATE BILL NO. 5935, by Senate Committee on Ways & Means (originally sponsored by Senators Sheldon and Carlyle)

Enhancing consumer access, affordability, and quality of broadband and advanced telecommunications services.

Senator Ericksen had moved that the following floor amendment no. 569 by Senator Ericksen be adopted:

Beginning on page 12, line 32 of the amendment, strike all of sections 12 through 15 and insert the following:

"**Sec. 12.** RCW 80.36.630 and 2013 2nd sp.s. c 8 s 202 are each amended to read as follows:

(1) The definitions in this section apply throughout this section and RCW 80.36.650 through 80.36.690 and 80.36.610 unless the context clearly requires otherwise.

(a) "Basic residential service" means those services set out in 47 C.F.R. Sec. 54.101(a) (2011) and mandatory extended area service approved by the commission.

(b) "Basic telecommunications services" means the following services:

- (i) Single-party service;
- (ii) Voice grade access to the public switched network;
- (iii) Support for local usage;
- (iv) Dual tone multifrequency signaling (touch-tone);
- (v) Access to emergency services (911);
- (vi) Access to operator services;
- (vii) Access to interexchange services;
- (viii) Access to directory assistance; and
- (ix) Toll limitation services.

(c) "Communications provider" means a provider of communications services that assigns a working telephone number to a final consumer for intrastate wireline or wireless communications services or interconnected voice over internet protocol service, and includes local exchange carriers.

(d) "Communications services" includes telecommunications services and information services and any combination thereof.

(e) "Incumbent local exchange carrier" has the same meaning as set forth in 47 U.S.C. Sec. 251(h).

(f) "Incumbent public network" means the network established by incumbent local exchange carriers for the delivery of communications services to customers that is used by communications providers for origination or termination of communications services by or to customers.

(g) "Interconnected voice over internet protocol service" means an interconnected voice over internet protocol service that: ~~((a) F:\Journal\2018 - Journal\Journal2018\LegDay038\i.doc)~~ (i) Enables real-time, two-way voice communications; ~~((b) F:\Journal\2018 - Journal\Journal2018\LegDay038\ii.doc)~~ (ii) requires a broadband connection from the user's location; ~~((c) F:\Journal\2018 - Journal\Journal2018\LegDay038\iii.doc)~~ (iii) requires internet protocol-compatible customer premises equipment; and ~~((d) F:\Journal\2018 - Journal\Journal2018\LegDay038\iv.doc)~~ (iv) permits users generally to receive calls that originate on the public network and to terminate calls to the public network.

(h) "Program" means the state universal communications services program created in RCW 80.36.650.

(i) "Telecommunications" has the same meaning as defined in 47 U.S.C. Sec. 153(43).

(j) "Telecommunications act of 1996" means the telecommunications act of 1996 (P.L. 104-104, 110 Stat. 56).

(k) "Working telephone number" means a north American numbering plan telephone number, or successor dialing protocol,

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

that is developed for use in placing calls to or from the public network, that enables a consumer to make or receive calls.

(2) This section expires July 1, ~~((2020))~~ 2030.

Sec. 13. RCW 80.36.650 and 2016 c 145 s 1 are each amended to read as follows:

(1) A state universal communications services program is established. The program is established to protect public safety and welfare under the authority of the state to regulate telecommunications under Article XII, section 19 of the state Constitution. The purpose of the program is to support continued provision of basic telecommunications services under rates, terms, and conditions established by the commission ~~((during the time over which incumbent communications providers in the state are adapting to changes in federal universal service fund and intercarrier compensation support))~~ and the provision, enhancement, and maintenance of broadband services, recognizing that the incumbent public network functions to provide all communications services including, but not limited to, voice and broadband services.

(2) Under the program, eligible communications providers may receive distributions from the universal communications services account created in RCW 80.36.690 in exchange for the affirmative agreement to provide continued telecommunications services under the rates, terms, and conditions established by the commission under this chapter and broadband services for the period covered by the distribution. The commission must implement and administer the program under terms and conditions established in RCW 80.36.630 through 80.36.690. Expenditures for the program may not exceed five million dollars per fiscal year; provided, however, that if less than five million dollars is expended in any fiscal year, the unexpended portion must be carried over to subsequent fiscal years and, unless fully expended, must be available for program expenditures in such subsequent fiscal years in addition to the five million dollars allotted for each of those subsequent fiscal years.

(3) A communications provider is eligible to receive distributions from the account if:

(a) The communications provider is: (i) An incumbent local exchange carrier serving fewer than forty thousand access lines in the state; or (ii) a radio communications service company providing wireless two-way voice communications service and broadband services to less than the equivalent of forty thousand access lines in the state. For purposes of determining the access line threshold in this subsection, the access lines or equivalents of all wireline affiliates must be counted as a single threshold, if the lines or equivalents are located in Washington;

(b) ~~The ((customers of the communications provider are at risk of rate instability or service interruptions or cessations absent a distribution to the provider that will allow the provider to maintain rates reasonably close to the benchmark))~~ communications provider has adopted a plan to provide, enhance, or maintain broadband service in its service area; and

(c) The communications provider meets any other requirements established by the commission pertaining to the provision of communications services, including basic telecommunications services.

(4)(a) Distributions to eligible communications providers are based on ~~((a benchmark established by the commission. The benchmark is the rate the commission determines to be a reasonable amount customers should pay for basic residential service provided over the incumbent public network. However, if an incumbent local exchange carrier is charging rates above the benchmark for the basic residential service, that provider may not seek distributions from the fund for the purpose of reducing those rates to the benchmark))~~ criteria established by the commission.

(b) If the program does not have sufficient funds to fully fund the distribution formula set out in (a) of this subsection, distributions must be reduced on a pro rata basis using the amounts calculated for that year's program support as the basis of the pro rata calculations.

(c) To receive a distribution under the program, an eligible communications provider must affirmatively consent to continue providing communications services to its customers under rates, terms, and conditions established by the commission pursuant to this chapter for the period covered by the distribution.

(5) The program is funded from amounts deposited by the legislature in the universal communications services account established in RCW 80.36.690. The commission must operate the program within amounts appropriated for this purpose and deposited in the account.

(6) The commission must periodically review the accounts and records of any communications provider that receives distributions under the program to ensure compliance with the program and monitor the providers' use of the funds.

~~((The commission must establish an advisory board, consisting of a reasonable balance of representatives from different types of communications providers and consumers, to advise the commission on any rules and policies governing the operation of the program.~~

~~((8))~~ The program terminates on June 30, ~~((2019))~~ 2029, and no distributions may be made after that date.

~~((9))~~ (8) This section expires July 1, ~~((2020))~~ 2030.

Sec. 14. RCW 80.36.660 and 2013 2nd sp.s. c 8 s 204 are each amended to read as follows:

(1) To implement the program, the commission must adopt rules for the following purposes:

(a) Operation of the program, including criteria for: Eligibility for distributions; use of the funds; identification of any reports or data that must be filed with the commission, including, but not limited to, how a communication provider used the distributed funds; and the communications provider's infrastructure;

(b) Operation of the universal communications services account established in RCW 80.36.690; and

(c) Establishment of the ~~((benchmark))~~ formula used to calculate distributions~~((and~~

~~((Readoption, amendment, or repeal of any existing rules adopted pursuant to RCW 80.36.610 and 80.36.620 as necessary to be consistent with RCW 80.36.630 through 80.36.690 and 80.36.610)).~~

(2) This section expires July 1, ~~((2020))~~ 2030.

Sec. 15. RCW 80.36.670 and 2013 2nd sp.s. c 8 s 205 are each amended to read as follows:

(1) In addition to any other penalties prescribed by law, the commission may impose penalties for failure to make or delays in making or filing any reports required by the commission for administration of the program. In addition, the commission may recover amounts determined to have been improperly distributed under RCW 80.36.650. For the purposes of this section, the provisions of RCW 80.04.380 through 80.04.405, inclusive, apply to all companies that receive support from the universal communications services account created in RCW 80.36.690.

(2) Any action taken under this section must be taken only after providing the affected communications provider with notice and an opportunity for a hearing, unless otherwise provided by law.

(3) Any amounts recovered under this section must be deposited in the universal communications services account created in RCW 80.36.690.

(4) This section expires July 1, ~~((2020))~~ 2030.

Sec. 16. RCW 80.36.680 and 2013 2nd sp.s. c 8 s 206 are

each amended to read as follows:

(1) The commission may delegate to the commission secretary or other staff the authority to resolve disputes and make other administrative decisions necessary to the administration and supervision of the program consistent with the relevant statutes and commission rules.

(2) This section expires July 1, ~~((2020))~~ 2030.

Sec. 17. RCW 80.36.690 and 2013 2nd sp.s. c 8 s 208 are each amended to read as follows:

(1) The universal communications services account is created in the custody of the state treasurer. Revenues to the account consist of moneys deposited in the account by the legislature and any penalties or other recoveries received pursuant to RCW 80.36.670. Expenditures from the account may be used only for the purposes of the universal communications services program established in RCW 80.36.650. Only the secretary of the commission or the secretary'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 July 1, ~~((2020))~~ 2030."

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

On page 26, line 29 of the title amendment, after "80.36.650," insert "80.36.660, 80.36.670, 80.36.680,"

On page 26, line 29 of the title amendment, after "53.08.370;" strike all material through "s 212 (uncodified);"

On page 27, line 2 of the title amendment, after "providing" strike "an expiration date" and insert "expiration dates"

Senators Ericksen and Takko spoke in favor of adoption of the amendment.

Senators Sheldon and Carlyle spoke against adoption of the amendment.

MOTION

Senator Ericksen demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

The President declared the question before the Senate to be the adoption of the amendment by Senator Ericksen on page 12, line 32, to striking floor amendment no. 523.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Ericksen and the amendment was not adopted by the following vote: Yeas, 20; Nays, 28; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Braun, Brown, Ericksen, Fortunato, Hobbs, Honeyford, King, Miloscia, O'Ban, Padden, Rivers, Schoesler, Short, Takko, Van De Wege, Wagoner, Wilson and Zeiger

Voting nay: Senators Angel, Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Frockt, Hasegawa, Hawkins, Hunt, Keiser, Kuderer, Liias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Sheldon, Walsh, Warnick and Wellman

Excused: Senator Baumgartner.

MOTION

Senator Sheldon moved that the following floor amendment

no. 659 by Senators Angel, Carlyle and Sheldon be adopted:

On page 14, line 9 of the amendment, after "July 1," strike "2020" and insert "~~((2020))~~ 2025"

Beginning on page 14, line 10 of the amendment, strike all of section 13 and insert the following:

"Sec. 13. RCW 80.36.650 and 2016 c 145 s 1 are each amended to read as follows:

(1) A state universal communications services program is established. The program is established to protect public safety and welfare under the authority of the state to regulate telecommunications under Article XII, section 19 of the state Constitution. The purpose of the program is to support continued provision of basic telecommunications services under rates, terms, and conditions established by the commission during the time over which incumbent communications providers in the state are adapting to changes in federal universal service fund and intercarrier compensation support.

(2) Under the program, eligible communications providers may receive distributions from the universal communications services account created in RCW 80.36.690 in exchange for the affirmative agreement to provide continued services under the rates, terms, and conditions established by the commission under this chapter for the period covered by the distribution. The commission must implement and administer the program under terms and conditions established in RCW 80.36.630 through 80.36.690. Expenditures for the program may not exceed five million dollars per fiscal year; provided, however, that if less than five million dollars is expended in any fiscal year, the unexpended portion must be carried over to subsequent fiscal years and, unless fully expended, must be available for program expenditures in such subsequent fiscal years in addition to the five million dollars allotted for each of those subsequent fiscal years.

(3) A communications provider is eligible to receive distributions from the account if:

(a)(i) The communications provider is: ~~((A))~~ (A) An incumbent local exchange carrier serving fewer than forty thousand access lines in the state; or ~~((B))~~ (B) a radio communications service company providing wireless two-way voice communications service to less than the equivalent of forty thousand access lines in the state. For purposes of determining the access line threshold in this subsection, the access lines or equivalents of all affiliates must be counted as a single threshold, if the lines or equivalents are located in Washington;

~~((b))~~ (ii) The customers of the communications provider are at risk of rate instability or service interruptions or cessations absent a distribution to the provider that will allow the provider to maintain rates reasonably close to the ~~((benchmark))~~ criteria; and

~~((c))~~ (iii) The communications provider meets any other requirements established by the commission pertaining to the provision of communications services, including basic telecommunications services; or

(b) The provider demonstrates to the commission that the provider is able to provide the same or comparable services at the same or similar service quality standards at a lower price.

(4)(a) Distributions to eligible communications providers are based on ~~((a benchmark))~~ criteria established by the commission. ~~((The benchmark is the rate the commission determines to be a reasonable amount customers should pay for basic residential service provided over the incumbent public network. However, if an incumbent local exchange carrier is charging rates above the benchmark for the basic residential service, that provider may not seek distributions from the fund for the purpose of reducing those rates to the benchmark.))~~

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

(b) To receive a distribution under the program, an eligible communications provider must affirmatively consent to continue providing communications services to its customers under rates, terms, and conditions established by the commission pursuant to this chapter for the period covered by the distribution.

(5) The program is funded from amounts deposited by the legislature in the universal communications services account established in RCW 80.36.690. The commission must operate the program within amounts appropriated for this purpose and deposited in the account.

(6) The commission must periodically review the accounts and records of any communications provider that receives distributions under the program to ensure compliance with the program and monitor the providers' use of the funds.

(7) The commission must establish an advisory board, consisting of a reasonable balance of representatives from different types of stakeholders, including but not limited to communications providers and consumers, to advise the commission on any rules and policies governing the operation of the program.

(8) The program terminates on June 30, ~~((2019))~~ 2024, and no distributions may be made after that date.

(9) This section expires July 1, ~~((2020))~~ 2025."

On page 16, line 21 of the amendment, after "July 1," strike "2020" and insert "~~((2020))~~ 2025"

On page 16, line 24 of the amendment, after "~~((2017))~~" strike "2019" and insert "2024"

On page 17, after line 2 of the amendment, insert the following:

"Sec. 16. RCW 80.36.660 and 2013 2nd sp.s. c 8 s 204 are each amended to read as follows:

(1) To implement the program, the commission must adopt rules for the following purposes:

(a) Operation of the program, including criteria for: Eligibility for distributions; use of the funds; identification of any reports or data that must be filed with the commission, including, but not limited to, how a communication provider used the distributed funds; and the communications provider's infrastructure;

(b) Operation of the universal communications services account established in RCW 80.36.690;

(c) Establishment of the benchmark used to calculate distributions; and

(d) Readoption, amendment, or repeal of any existing rules adopted pursuant to RCW 80.36.610 and 80.36.620 as necessary to be consistent with RCW 80.36.630 through 80.36.690 and 80.36.610.

(2) This section expires July 1, ~~((2020))~~ 2025.

Sec. 17. RCW 80.36.670 and 2013 2nd sp.s. c 8 s 205 are each amended to read as follows:

(1) In addition to any other penalties prescribed by law, the commission may impose penalties for failure to make or delays in making or filing any reports required by the commission for administration of the program. In addition, the commission may recover amounts determined to have been improperly distributed under RCW 80.36.650. For the purposes of this section, the provisions of RCW 80.04.380 through 80.04.405, inclusive, apply to all companies that receive support from the universal communications services account created in RCW 80.36.690.

(2) Any action taken under this section must be taken only after providing the affected communications provider with notice and an opportunity for a hearing, unless otherwise provided by law.

(3) Any amounts recovered under this section must be deposited in the universal communications services account created in RCW 80.36.690.

(4) This section expires July 1, ~~((2020))~~ 2025.

Sec. 18. RCW 80.36.680 and 2013 2nd sp.s. c 8 s 206 are each amended to read as follows:

(1) The commission may delegate to the commission secretary or other staff the authority to resolve disputes and make other administrative decisions necessary to the administration and supervision of the program consistent with the relevant statutes and commission rules.

(2) This section expires July 1, ~~((2020))~~ 2025.

Sec. 19. RCW 80.36.700 and 2013 2nd sp.s. c 8 s 211 are each amended to read as follows:

(1) The universal communications services program established in RCW 80.36.630 through 80.36.690 terminates on June 30, 2019.

(2) This section expires July 1, ~~((2020))~~ 2025."

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

On page 26, line 29 of the title amendment, after "80.36.690," strike "and 53.08.370" and insert "53.08.370, 80.36.660, 80.36.670, 80.36.680, and 80.36.700"

On page 27, line 2 of the title amendment, after "providing" strike "an expiration date" and insert "expiration dates"

Senators Sheldon and Carlyle spoke in favor of adoption of the amendment.

Senator Short spoke against adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 659 by Senators Angel, Carlyle and Sheldon on page 14, line 9 to Second Substitute Senate Bill No. 5935.

The motion by Senator Sheldon carried and floor amendment no. 659 was adopted by voice vote.

Senator Keiser assumed the chair.

MOTION

Senator Short moved that the following floor amendment no. 664 by Senators Short and Takko be adopted:

On page 14, line 9 of the amendment, after "July 1," strike "2020" and insert "~~((2020))~~ 2025"

Beginning on page 14, line 10 of the amendment, strike all of section 13 and insert the following:

"Sec. 13. RCW 80.36.650 and 2016 c 145 s 1 are each amended to read as follows:

(1) A state universal communications services program is established. The program is established to protect public safety and welfare under the authority of the state to regulate telecommunications under Article XII, section 19 of the state Constitution. The purpose of the program is to support continued provision of basic telecommunications services under rates, terms, and conditions established by the commission during the time over which incumbent communications providers in the state are adapting to changes in federal universal service fund and intercarrier compensation support.

(2) Under the program, eligible communications providers may receive distributions from the universal communications services account created in RCW 80.36.690 in exchange for the affirmative agreement to provide continued services under the rates, terms, and conditions established by the commission under this chapter for the period covered by the distribution. The commission must implement and administer the program under terms and conditions established in RCW 80.36.630 through 80.36.690. Expenditures for the program may not exceed five

million dollars per fiscal year; provided, however, that if less than five million dollars is expended in any fiscal year, the unexpended portion must be carried over to subsequent fiscal years and, unless fully expended, must be available for program expenditures in such subsequent fiscal years in addition to the five million dollars allotted for each of those subsequent fiscal years.

(3) A communications provider is eligible to receive distributions from the account if:

(a)(i) The communications provider is: ~~((#))~~ (A) An incumbent local exchange carrier serving fewer than forty thousand access lines in the state; or ~~((#))~~ (B) a radio communications service company providing wireless two-way voice communications service to less than the equivalent of forty thousand access lines in the state. For purposes of determining the access line threshold in this subsection, the access lines or equivalents of all affiliates must be counted as a single threshold, if the lines or equivalents are located in Washington;

~~((#))~~ (ii) The customers of the communications provider are at risk of rate instability or service interruptions or cessations absent a distribution to the provider that will allow the provider to maintain rates reasonably close to the ~~(benchmark)~~ criteria; and

~~((#))~~ (iii) The communications provider meets any other requirements established by the commission pertaining to the provision of communications services, including basic telecommunications services; or

(b) The provider demonstrates to the commission that the provider is able to provide the same or comparable services at the same or similar service quality standards at a lower price.

(4) A communications provider that previously received funding under subsection (3) of this section, and that demonstrates to the satisfaction of the commission that it will continue to provide adequate service, must be given priority for funding over other providers applying for funding.

~~(5)(a) Distributions to eligible communications providers are based on ~~(a benchmark)~~ criteria established by the commission. ~~((The benchmark is the rate the commission determines to be a reasonable amount customers should pay for basic residential service provided over the incumbent public network. However, if an incumbent local exchange carrier is charging rates above the benchmark for the basic residential service, that provider may not seek distributions from the fund for the purpose of reducing those rates to the benchmark.))~~~~

(b) To receive a distribution under the program, an eligible communications provider must affirmatively consent to continue providing communications services to its customers under rates, terms, and conditions established by the commission pursuant to this chapter for the period covered by the distribution.

~~((#))~~ (6) The program is funded from amounts deposited by the legislature in the universal communications services account established in RCW 80.36.690. The commission must operate the program within amounts appropriated for this purpose and deposited in the account.

~~((#))~~ (7) The commission must periodically review the accounts and records of any communications provider that receives distributions under the program to ensure compliance with the program and monitor the providers' use of the funds.

~~((#))~~ (8) The commission must establish an advisory board, consisting of a reasonable balance of representatives from different types of stakeholders, including but not limited to communications providers and consumers, to advise the commission on any rules and policies governing the operation of the program.

~~((#))~~ (9) The program terminates on June 30, ~~((2019))~~ 2024, and no distributions may be made after that date.

~~((#))~~ (10) This section expires July 1, ~~((2020))~~ 2025."

On page 16, line 21 of the amendment, after "July 1," strike "2020" and insert "~~((2020))~~ 2025"

On page 16, line 24 of the amendment, after "~~((2017))~~" strike "2019" and insert "2024"

On page 17, after line 2 of the amendment, insert the following:

"Sec. 16. RCW 80.36.660 and 2013 2nd sp.s. c 8 s 204 are each amended to read as follows:

(1) To implement the program, the commission must adopt rules for the following purposes:

(a) Operation of the program, including criteria for: Eligibility for distributions; use of the funds; identification of any reports or data that must be filed with the commission, including, but not limited to, how a communication provider used the distributed funds; and the communications provider's infrastructure;

(b) Operation of the universal communications services account established in RCW 80.36.690;

(c) Establishment of the benchmark used to calculate distributions; and

(d) Readoption, amendment, or repeal of any existing rules adopted pursuant to RCW 80.36.610 and 80.36.620 as necessary to be consistent with RCW 80.36.630 through 80.36.690 and 80.36.610.

(2) This section expires July 1, ~~((2020))~~ 2025.

Sec. 17. RCW 80.36.670 and 2013 2nd sp.s. c 8 s 205 are each amended to read as follows:

(1) In addition to any other penalties prescribed by law, the commission may impose penalties for failure to make or delays in making or filing any reports required by the commission for administration of the program. In addition, the commission may recover amounts determined to have been improperly distributed under RCW 80.36.650. For the purposes of this section, the provisions of RCW 80.04.380 through 80.04.405, inclusive, apply to all companies that receive support from the universal communications services account created in RCW 80.36.690.

(2) Any action taken under this section must be taken only after providing the affected communications provider with notice and an opportunity for a hearing, unless otherwise provided by law.

(3) Any amounts recovered under this section must be deposited in the universal communications services account created in RCW 80.36.690.

(4) This section expires July 1, ~~((2020))~~ 2025.

Sec. 18. RCW 80.36.680 and 2013 2nd sp.s. c 8 s 206 are each amended to read as follows:

(1) The commission may delegate to the commission secretary or other staff the authority to resolve disputes and make other administrative decisions necessary to the administration and supervision of the program consistent with the relevant statutes and commission rules.

(2) This section expires July 1, ~~((2020))~~ 2025.

Sec. 19. RCW 80.36.700 and 2013 2nd sp.s. c 8 s 211 are each amended to read as follows:

(1) The universal communications services program established in RCW 80.36.630 through 80.36.690 terminates on June 30, 2019.

(2) This section expires July 1, ~~((2020))~~ 2025."

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

On page 26, line 29 of the title amendment, after "80.36.690," strike "and 53.08.370" and insert "53.08.370, 80.36.660, 80.36.670, 80.36.680, and 80.36.700"

On page 27, line 2 of the title amendment, after "providing" strike "an expiration date" and insert "expiration dates"

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

Senators Short and Ericksen spoke in favor of adoption of the amendment.

Senators Sheldon and Carlyle spoke against adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 664 by Senators Short and Takko on page 14, line 9 to Second Substitute Senate Bill No. 5935.

The motion by Senator Short failed and floor amendment no. 664 was not adopted by voice vote.

MOTION

Senator Schoesler moved that the following floor amendment no. 656 by Senators Schoesler and Sheldon be adopted:

Beginning on page 20, line 4 of the amendment, strike all of section 18 and insert the following:

"Sec. 18. RCW 53.08.370 and 2000 c 81 s 7 are each amended to read as follows:

(1) A rural port district in existence on June 8, 2000, a port district located in a county that borders a foreign nation, and a port district located in a county that borders the Columbia river that has completed feasibility studies for a wholesale telecommunications network, may construct, purchase, acquire, develop, finance, lease, license, handle, provide, add to, contract for, interconnect, alter, improve, repair, operate, and maintain any telecommunications facilities within or without the district's limits for the following purposes:

- (a) For the district's own use; and
- (b) For the provision of wholesale telecommunications services within or without the district's limits. Nothing in this subsection shall be construed to authorize ~~((rural))~~ eligible port districts to provide telecommunications services to end users.

(2) ~~((A rural))~~ Except as provided in subsection (7) of this section, port districts providing wholesale telecommunications services under this section shall ensure that rates, terms, and conditions for such services are not unduly or unreasonably discriminatory or preferential. Rates, terms, and conditions are discriminatory or preferential when a ((rural)) port district offering such rates, terms, and conditions to an entity for wholesale telecommunications services does not offer substantially similar rates, terms, and conditions to all other entities seeking substantially similar services.

(3) When a ~~((rural))~~ port district establishes a separate utility function for the provision of wholesale telecommunications services under this section, it shall account for any and all revenues and expenditures related to its wholesale telecommunications facilities and services separately from revenues and expenditures related to its internal telecommunications operations. Any revenues received from the provision of wholesale telecommunications services must be dedicated to the utility function that includes the provision of wholesale telecommunications services for costs incurred to build and maintain the telecommunications facilities until such time as any bonds or other financing instruments executed after June 8, 2000, and used to finance the telecommunications facilities are discharged or retired.

(4) When a ~~((rural))~~ port district establishes a separate utility function for the provision of wholesale telecommunications services under this section, all telecommunications services rendered by the separate function to the district for the district's internal telecommunications needs shall be charged at its true and full value. A ~~((rural))~~ port district may not charge its nontelecommunications operations rates that are preferential or

discriminatory compared to those it charges entities purchasing wholesale telecommunications services.

(5) A ~~((rural))~~ port district under this section shall not exercise powers of eminent domain to acquire telecommunications facilities or contractual rights held by any other person or entity to telecommunications facilities.

(6) Except as otherwise specifically provided, a ~~((rural))~~ port district may exercise any of the powers granted to it under this title and other applicable laws in carrying out the powers authorized under this section. Nothing in chapter 81, Laws of 2000 limits any existing authority of a rural port district under this title.

(7) A port district under this section may select a telecommunications company to operate all or a portion of the port district's telecommunications facilities. The company may be the exclusive provider of telecommunications services to end users under terms specified in the contract with the port district. For purposes of this section, "telecommunications company" means any for-profit entity owned by investors that sells telecommunications services to end users. Nothing in this subsection (7) is intended to limit or otherwise restrict any other authority provided by law.

Sec. 19. RCW 53.08.380 and 2000 c 81 s 9 are each amended to read as follows:

(1) A person or entity that has requested wholesale telecommunications services from a rural port district or port district as identified in RCW 53.08.370(1) may petition the commission under the procedures set forth in RCW 80.04.110 (1) through (3) if it believes the district's rates, terms, and conditions are unduly or unreasonably discriminatory or preferential, except as provided in RCW 53.08.370. The person or entity shall provide the district notice of its intent to petition the commission and an opportunity to review within thirty days the rates, terms, and conditions as applied to it prior to submitting its petition. In determining whether a district is providing discriminatory or preferential rates, terms, and conditions, the commission may consider such matters as service quality, technical feasibility of connection points on the district's telecommunications facilities, time of response to service requests, system capacity, and other matters reasonably related to the provision of wholesale telecommunications services. If the commission, after notice and hearing, determines that a rural port district's rates, terms, and conditions are unduly or unreasonably discriminatory or preferential, it shall issue a final order finding noncompliance with this section and setting forth the specific areas of apparent noncompliance. An order imposed under this section shall be enforceable in any court of competent jurisdiction.

(2) The commission may order a rural port district or port district as identified in RCW 53.08.370(1) to pay a share of the costs incurred by the commission in adjudicating or enforcing this section.

(3) Without limiting other remedies at law or equity, the commission and prevailing party may also seek injunctive relief to compel compliance with an order.

(4) Nothing in this section shall be construed to affect the commission's authority and jurisdiction with respect to actions, proceedings, or orders permitted or contemplated for a state commission under the federal telecommunications act of 1996, P.L. 104-104 (110 Stat. 56)."

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

On page 26, line 29 of the title amendment, after "80.36.690," strike "and 53.08.370" and insert "53.08.370, and 53.08.380"

Senators Schoesler, Sheldon and Carlyle spoke in favor of

adoption of the amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of floor amendment no. 656 by Senators Schoesler and Sheldon on page 20, line 4 to Second Substitute Senate Bill No. 5935.

The motion by Senator Schoesler carried and floor amendment no. 656 was adopted by voice vote.

WITHDRAWAL OF AMENDMENT

On motion of Senator Chase and without objection, floor amendment no. 614 by Senator Chase on page 21, line 28 to Second Substitute Senate Bill No. 5935 was withdrawn.

Beginning on page 21, line 28 of the amendment, strike all of section 19 and insert the following:

"Sec. 19. 2018 c 2 s 1021 (uncodified) is amended to read as follows:

FOR THE DEPARTMENT OF COMMERCE

CERB Administered Broadband Infrastructure (91000943)

The appropriation in this section is subject to the following conditions and limitations: During the 2017-2019 fiscal biennium, the community economic revitalization board may make grants and loans to local governments and federally recognized tribes to build infrastructure to provide high-speed, open-access broadband service, with a minimum of 25 megabits per second download speed, to rural and underserved communities, for the purpose of economic development or community development.

(1) "Local governments" means cities, towns, counties, municipal corporations, public port districts, quasi-municipal corporations, and special purpose districts.

(2) "Broadband" means networks of deployed telecommunications equipment and technologies necessary to provide high-speed Internet access and other advanced telecommunications services.

(3) The board is authorized to make rural broadband loans and grants to local governments and to federally recognized Indian tribes for the purposes of financing the cost to build infrastructure to provide high-speed, open-access broadband service, to rural and underserved communities, for the purpose of economic development or community development. ~~((Grants may also be authorized for purposes designated in this chapter, but only when, and to the extent that, a loan is not reasonably possible, given the limited resources of the local government or the federally recognized Indian tribe, and subject to a finding by the board that financial circumstances require grant assistance to enable the project to move forward.))~~ However, no more than ~~((25))~~ 50 percent of all financial assistance approved by the board in any biennium may consist of grants to local governments and federally recognized Indian tribes.

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

(a) The board may not provide financial assistance:

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

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

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

~~((iv))~~ (iii) For a project located outside the jurisdiction of the applicant local government or federally recognized Indian tribe.

~~((v))~~ (iv) For equipment or facilities which would enable a public entity to provide retail telecommunications services or services that the entity is not authorized by statute to provide.

~~((vi))~~ (v) For the deployment of publicly-owned telecommunication network infrastructure ("backbone") solely for the sake of creating competitive, publicly-owned telecommunication network infrastructure.

(b) The board may provide financial assistance only(~~(-~~

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

~~(A) Results in the creation of significant private sector jobs or significant private sector capital investment as determined by the board;~~

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

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

~~(ii) For a project that does not meet the requirements of (b)(i) of this subsection but is a project that:~~

~~(A) Results in the creation of significant private sector jobs or significant private sector capital investment as determined by the board;~~

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

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

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

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

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

~~(e))~~ for projects located in a rural community as defined by the board, or located in a rural county, that encourage, foster, develop, and improve broadband within the state in order to:

(i) Drive job creation, promote innovation, and expand markets for local businesses; or

(ii) Serve the ongoing and growing needs of local education systems, health care systems, public safety systems, industries and businesses, governmental operations, and citizens; and

(iii) Improve accessibility for underserved communities and populations.

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

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

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

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

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

~~(ii) The rate of return of the state's investment, including, but not limited to, the leveraging of private sector investment,~~

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

~~anticipated job creation and retention, and expected increases in state and local tax revenues associated with the project;~~

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

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

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

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

~~(4)) (e) When evaluating and prioritizing projects, the board must give consideration, at a minimum, to the following factors:~~

~~(i) The project's value to the community, including evidence of support from affected local businesses and government;~~

~~(ii) The project's feasibility, using standard economic principles;~~

~~(iii) Commitment of local matching resources and local participation;~~

~~(iv) The project's inclusion in a capital facilities plan, comprehensive plan, or local economic development plan consistent with applicable state planning requirements; and~~

~~(v) The project's readiness to proceed.~~

~~(5) A responsible official of the local government or the federally recognized Indian tribe must be present during board deliberations and provide information that the board requests.~~

~~((5) Before any financial assistance application is approved, the local government or the federally recognized Indian tribe seeking the assistance must demonstrate to the community economic revitalization board that no other timely source of funding is available to it at costs reasonably similar to financing available from the community economic revitalization board.))~~

Appropriation:

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

Senator Sheldon spoke in favor of adoption of the striking amendment as amended.

The President Pro Tempore declared the question before the Senate to be the adoption of striking floor amendment no. 523 by Senators Carlyle and Sheldon as amended to Second Substitute Senate Bill No. 5935.

The motion by Senator Sheldon carried and striking floor amendment no. 523 as amended was adopted by voice vote.

MOTION

On motion of Senator Sheldon, the rules were suspended, Engrossed Second Substitute Senate Bill No. 5935 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Sheldon and Carlyle spoke in favor of passage of the bill.

Senators Ericksen and Short spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 5935.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5935 and the bill passed the Senate by the following vote: Yeas, 45; Nays, 3; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Voting nay: Senators Bailey, Ericksen and Short
Excused: Senator Baumgartner

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5935, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6354, by Senator Ericksen

Allowing counties to request ferry capital improvement funds without creating ferry districts.

The measure was read the second time.

MOTION

On motion of Senator Ericksen, the rules were suspended, Senate Bill No. 6354 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Ericksen spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 6354.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6354 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 2; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Rivers, Rolfes, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Voting nay: Senators Ranker and Saldaña
Excused: Senator Baumgartner

SENATE BILL NO. 6354, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Liias, the Senate advanced to the eighth order of business.

MOTION TO LIMIT DEBATE

Pursuant to Rule 29, on motion of Senator Liias and without objection, senators were limited to speaking but once and for no more than one minute on the resolution.

MOTION

Senator Warnick moved adoption of the following resolution:

SENATE RESOLUTION 8708

By Senators Warnick, Nelson, Billig, Rolfes, McCoy, Pedersen, Chase, Hunt, Palumbo, Cleveland, Takko, Dhingra, Saldaña, Van De Wege, Schoesler, Fortunato, O'Ban, Bailey, Padden, Ericksen, Fain, Wagoner, Short, King, Conway, Hobbs, Keiser, Frockt, Mullet, Becker, Kuderer, Liias, Hawkins, Miloscia, Wilson, Brown, Darneille, Carlyle, Zeiger, Honeyford, Sheldon, Wellman, Ranker, and Angel

WHEREAS, Linda O'Neal was raised in Chelan, as a fourth-generation resident of north central Washington, and worked as a waitress to put herself through Washington State University's pharmacy program, then returned home to begin a career as a registered pharmacist; and

WHEREAS, As Linda Evans Parlette she was elected to the House of Representatives in 1996, furthering a public-service career that began as a member of the Lake Chelan School District board and later the North Central Educational Service District board; and

WHEREAS, Linda Evans Parlette won election to the Senate in 2000, becoming the first woman to serve as 12th District senator, and was returned for three more terms; and

WHEREAS, During Linda Evans Parlette's tenure in the Legislature, 63 of the bills she introduced became law, including legislation to reduce the state's debt limit, expand the role of pharmacists in medical teams, improve coordination, transparency, and accountability among state landholding agencies, and ensure that habitat for salmon and steelhead is plentiful on the Upper Columbia River; and

WHEREAS, Senator Parlette advocated successfully for the restoration of Beebe Springs, adjacent to the Chelan Fish Hatchery, and partnered with the Grand Coulee Dam School District and local community leaders to secure funding for the new Lake Roosevelt K-12 school, which opened in 2014; and

WHEREAS, She worked tirelessly at the federal level to promote the reestablishment of the "Road to Cottonwood" in the North Cascades National Park; and

WHEREAS, Senator Parlette spent her entire career at the Capitol as a member of the health care and budget committees, and many years on committees that address natural-resource matters; and

WHEREAS, As fans of the Seattle Seahawks football team became known as the "12th Man," Senator Parlette's affiliation with the 12th District caused her to be called the "12th Woman"; and

WHEREAS, Senator Parlette served as chair of her Senate caucus for a record 10 years, during which time it grew from 17 members to a majority of 26 seats, and made history as the Senate's first bipartisan coalition; and

WHEREAS, Senator Parlette announced in 2016 that she

would not seek a fifth Senate term and instead would conclude her service to the 12th Legislative District after 20 years, a mark equaled only by one other legislator and surpassed only by her Senate predecessor's record 29 years; and

WHEREAS, Her retirement from the Senate allowed more time with her husband Bob, their five children and three grandchildren, and her mother Jessie O'Neal; and

WHEREAS, Linda Evans Parlette continues to apply her experience as a pharmacist and knowledge gained from 20 years of health-care committee service on behalf of north central Washington, as executive director of the North Central Accountable Community of Health;

NOW, THEREFORE, BE IT RESOLVED, That the Senate recognize Senator Linda Evans Parlette and the contributions she made to the state and the people during her 20 years of service in the Legislature.

Senators Warnick, Rolfes, Fain, Becker, Conway, Schoesler, Brown, Bailey, Nelson, Braun, Angel, Liias, Ericksen, Short and Hawkins spoke in favor of adoption of the resolution.

The President declared the question before the Senate to be the adoption of Senate Resolution No. 8708.

The motion by Senator Warnick carried and the resolution was adopted by voice vote.

REMARKS BY THE PRESIDENT PRO TEMPORE

President Pro Tempore Keiser: "Now, I just want to say she persisted, I'm persisting too, and we have worked together for twenty years on PBMs, on balanced billing, on the individual market and that ever-loving nursing home rate issue. I gotta say, I'm passing that one on. Thank you so much for all of your help, all of your persistence, and all of your kindness."

REMARKS BY FORMER SENATOR LINDA EVANS PARLETTE

Former Senator Parlette: "Thank you very much. I have to tell you this was a total surprise. Senator Keiser, you spoke about the nursing home bills, so years ago one of my constituents, Jerry Tretwalt, who lobbied once in a while on nursing home issues. I was complaining and saying it just wasn't fair, those of us who live so far away and can't go home for Valentine's Day, so low and behold the Nursing Home Association started this reception for those of us who could not go home. Those of us women. And I thought well I should ask Representative Cody because we both shared the gavel in 1999 and 2000 to co-sponsor this with me. And so last year Representative Cody invited me back. Last year my husband joined me and I will just kind of give you an update on that situation, this year Representative Cody called again and said Linda you have to come over for the Valentine's Day reception. So that is why I am here and I didn't expect this at all. So, I thought I could sneak out of the Senate without being roasted, but I guess you guys got even. So, thank you.

So, I also would like to thank you for the many cards. It was a shock for me to learn as long as with my husband last year about his illness. Many of you don't know but my husband flew in Vietnam and over twenty years ago he found out he had chronic lymphatic leukemia. And he thought that was Agent Orange related. Naturally the VA turned down his claim. But last year, when he got the diagnosis on July 19 of acute Myeloid Leukemia, the first thing he did was reopen that claim. Now, it is still pending, but we know now, a year later that they did have Agent Orange in Thailand where he was stationed. He was a co-pilot and stationed there for some time. So time will tell on

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

what happens. It is hard to understand when those who have served our country have to deal with so much difficulty in dealing with the Veteran's Administration, but we will wait and see what happens.

I put all of this in perspective and think well, I guess a car accident would have been worse. At least we did have some time to get our affairs in order. When you are married for some time to an attorney it is probably like being married to a cobbler, the cobbler's kids have no shoes. Our wills were thirty-one years old, so we had a lot of work to do in a short time. But I just want to thank you. I received so many cards from all of you and I have to tell you it's been a privilege to serve sixteen years in the Senate, four years in the House. God bless all of you and make sure in the interim you do whatever you want to do because you never, don't let this job interfere with your life too much. Thank you very much."

MOTION

At 12:42 p.m., on motion of Senator Lias, the Senate was declared to be at ease subject to the call of the President.

AFTERNOON SESSION

The Senate was called to order at 2:26 p.m. by President Habib.

MOTION

On motion of Senator Lias, the Senate reverted to the sixth order of business.

SECOND READING

SENATE BILL NO. 5731, by Senators Chase and Frockt

Requiring acceptance of additional high school equivalency tests.

The measure was read the second time.

MOTION

Senator Hawkins moved that the following floor amendment no. 384 by Senators Chase and Hawkins be adopted:

On page 3, beginning on line 26, strike all of section 4

On page 1, line 2 of the title, after "tests;" strike the remainder of the title and insert "amending RCW 28B.50.536; and creating new sections."

Senators Hawkins and Chase spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 384 by Senators Chase and Hawkins on page 3, line 26 to Engrossed Senate Bill No. 5731.

The motion by Senator Hawkins carried and floor amendment no. 384 was adopted by voice vote.

MOTION

On motion of Senator Chase, the rules were suspended, Engrossed Senate Bill No. 5731 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Chase spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5731.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5731 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Lias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Baumgartner

ENGROSSED SENATE BILL NO. 5731, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6241, by Senators Hobbs, Fain, Mullet and Keiser

Concerning the January 1, 2020, implementation of the school employees' benefits board program.

MOTION

On motion of Senator Hobbs, Substitute Senate Bill No. 6241 was substituted for Senate Bill No. 6241 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Hobbs moved that the following striking floor amendment no. 521 by Senator Hobbs be adopted:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 41.05.740 and 2017 3rd sp.s. c 13 s 801 are each amended to read as follows:

(1) The school employees' benefits board is created within the authority. The function of the school employees' benefits board is to design and approve insurance benefit plans for school employees and to establish eligibility criteria for participation in insurance benefit plans.

(2) By September 30, 2017, the governor shall appoint the following voting members to the school employees' benefits board as follows:

(a) Two members from associations representing certificated employees;

(b) Two members from associations representing classified employees;

(c) Four members with expertise in employee health benefits policy and administration, one of which is nominated by an association representing school business officials; and

(d) The director of the authority or his or her designee.

(3) Initial members of the school employees' benefits board shall serve staggered terms not to exceed four years. Members

appointed thereafter shall serve two-year terms.

(4) Compensation and reimbursement related to school employees' benefits board member service are as follows:

(a) Members of the school employees' benefits board must be compensated in accordance with RCW 43.03.250 and must be reimbursed for their travel expenses while on official business in accordance with RCW 43.03.050 and 43.03.060.

(b) While school employees' benefits board members are carrying out their powers and duties under chapter 41.05 RCW, if the service of any certificated or classified employee results in a need for a school employees' benefits board organization to employ a substitute for such certificated or classified employee during such service, payment for such a substitute may be made by the authority from funds appropriated by the legislature for the school employees' benefits board program. If such substitute is paid by the authority, no deduction shall be made from the salary of the certificated or classified employee. In no event shall a school employees' benefits board organization deduct from the salary of a certificated or classified employee serving on the school employees' benefits board more than the amount paid the substitute employed by the school employees' benefits board organization.

(5) The director of the authority or his or her designee shall be the chair and another member shall be selected by the school employees' benefits board as vice chair. The chair shall conduct meetings of the school employees' benefits board. The vice chair shall preside over meetings in the absence of the chair. The school employees' benefits board shall develop bylaws for the conduct of its business.

(6) The school employees' benefits board shall:

(a) Study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and dismemberment, and disability insurance, or any of, or combination of, the enumerated types of insurance for eligible school employees and their dependents on the best basis possible with relation both to the welfare of the school employees and the state. However, liability insurance should not be made available to dependents;

(b) Develop school employee benefit plans that include comprehensive, evidence-based health care benefits for school employees. In developing these plans, the school employees' benefits board shall consider the following elements:

(i) Methods of maximizing cost containment while ensuring access to quality health care;

(ii) Development of provider arrangements that encourage cost containment and ensure access to quality care including, but not limited to, prepaid delivery systems and prospective payment methods;

(iii) Wellness, preventive care, chronic disease management, and other incentives that focus on proven strategies;

(iv) Utilization review procedures to support cost-effective benefits delivery;

(v) Ways to leverage efficient purchasing by coordinating with the public employees' benefits board;

(vi) Effective coordination of benefits; and

(vii) Minimum standards for insuring entities;

(c) Authorize premium contributions for ~~((and))~~ a school employee and the employee's dependents in a manner that encourages the use of cost-efficient health care systems. For participating school employees, the required school employee share of the cost for family coverage ((under a plan)) premiums may not exceed ((the required employee share of the cost for employee only coverage)) three times the premiums for a school employee purchasing single coverage for the same coverage plan;

(d) Determine the terms and conditions of school employee and dependent eligibility criteria, enrollment policies, and scope of

coverage. At a minimum, the eligibility criteria established by the school employees' benefits board shall address the following:

(i) The effective date of coverage following hire;

(ii) ~~((And))~~ The benefits eligibility criteria, but the school employees' benefits board's criteria shall be no more restrictive than requiring that a school employee ((must)) be anticipated to work at least six hundred thirty hours per school year ((to qualify for coverage)) to be benefits eligible; and

(iii) Coverage for dependents, including criteria for legal spouses; children up to age twenty-six; children of any age with disabilities, mental illness, or intellectual or other developmental disabilities; and state registered domestic partners, as defined in RCW 26.60.020, and others authorized by the legislature;

(e) ~~((Determine the terms and conditions of purchasing system participation, consistent with chapter 13, Laws of 2017 3rd sp. sess., including establishment of criteria for employing districts and individual employees;))~~ Establish terms and conditions for a school employees' benefits board organization to have the ability to locally negotiate eligibility criteria for a school employee who is anticipated to work less than six hundred thirty hours in a school year. A school employees' benefits board organization that elects to use a lower threshold of hours for benefits eligibility must use benefits authorized by the school employees' benefits board and shall do so as an enrichment to the state's definition of basic education;

(f) Establish penalties to be imposed when ~~((the employing district))~~ a school employees' benefits board organization fails to comply with established participation criteria; and

(g) Participate with the authority in the preparation of specifications and selection of carriers contracted for school employee benefit plan coverage of eligible school employees in accordance with the criteria set forth in rules. To the extent possible, the school employees' benefits board shall leverage efficient purchasing by coordinating with the public employees' benefits board.

(7) School employees shall choose participation in one of the health care benefit plans developed by the school employees' benefits board. Individual school employees eligible for benefits under subsection (6)(d) of this section may be permitted to waive coverage under terms and conditions established by the school employees' benefits board.

(8) By November 30, 2021, the authority shall review the benefit plans provided through the school employees' benefits board, complete an analysis of the benefits provided and the administration of the benefits plans, and determine whether provisions in chapter 13, Laws of 2017 3rd sp. sess. have resulted in cost savings to the state. The authority shall submit a report to the relevant legislative policy and fiscal committees summarizing the results of the review and analysis.

Sec. 2. RCW 41.05.006 and 2006 c 299 s 1 are each amended to read as follows:

(1) The legislature recognizes that (a) the state is a major purchaser of health care services, (b) the increasing costs of such health care services are posing and will continue to pose a great financial burden on the state, (c) it is the state's policy, consistent with the best interests of the state, to provide comprehensive health care as an employer, to ~~((state))~~ employees and school employees ((and)), officials ~~((and))~~, their dependents, and to those who are dependent on the state for necessary medical care, and (d) it is imperative that the state begin to develop effective and efficient health care delivery systems and strategies for procuring health care services in order for the state to continue to purchase the most comprehensive health care possible.

(2) It is therefore the purpose of this chapter to establish the Washington state health care authority whose purpose shall be to

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

(a) develop health care benefit programs that provide access to at least one comprehensive benefit plan funded to the fullest extent possible by the employer, and a health savings account/high deductible health plan option as defined in section 1201 of the medicare prescription drug improvement and modernization act of 2003, as amended, for eligible ~~((state))~~ employees and school employees, officials, and their dependents, and (b) study all state purchased health care, alternative health care delivery systems, and strategies for the procurement of health care services and make recommendations aimed at minimizing the financial burden which health care poses on the state, ~~((its))~~ employees and school employees, and its charges, while at the same time allowing the state to provide the most comprehensive health care options possible.

Sec. 3. RCW 41.05.009 and 2015 c 116 s 1 are each amended to read as follows:

(1) The authority, or an employing agency at the authority's direction, shall initially determine and periodically review whether an employee or a school employee is eligible for benefits pursuant to the criteria established under this chapter.

(2) An employing agency shall inform an employee or a school employee in writing whether or not he or she is eligible for benefits when initially determined and upon any subsequent change, including notice of the employee's or school employee's right to an appeal.

Sec. 4. RCW 41.05.011 and 2017 3rd sp.s. c 13 s 802 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Authority" means the Washington state health care authority.

(2) "Board" means the public employees' benefits board established under RCW 41.05.055 and the school employees' benefits board established under RCW 41.05.740.

(3) "Dependent care assistance program" means a benefit plan whereby ~~((state))~~ employees and school employees may pay for certain employment related dependent care with pretax dollars as provided in the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec. 129 or other sections of the internal revenue code.

(4) "Director" means the director of the authority.

(5) "Emergency service personnel killed in the line of duty" means law enforcement officers and firefighters as defined in RCW 41.26.030, members of the Washington state patrol retirement fund as defined in RCW 43.43.120, and reserve officers and firefighters as defined in RCW 41.24.010 who die as a result of injuries sustained in the course of employment as determined consistent with Title 51 RCW by the department of labor and industries.

(6)(a) "Employee" for the public employees' benefits board program includes all 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; justices of the supreme court and judges of the court of appeals and the superior courts; and members of the state legislature. Pursuant to contractual agreement with the authority, "employee" may also include: (i) Employees of a county, municipality, or other political subdivision of the state and members of the legislative authority of any county, city, or town who are elected to office after February 20, 1970, if the legislative authority of the county, municipality, or other political subdivision of the state submits application materials to the authority to provide any of its insurance programs by contract with the authority, as provided in

RCW 41.04.205 and 41.05.021(1)(g); (ii) employees of employee organizations representing state civil service employees, at the option of each such employee organization; (iii) through December 31, 2019, employees of a school district if the authority agrees to provide any of the school districts' insurance programs by contract with the authority as provided in RCW 28A.400.350; (iv) employees of a tribal government, if the governing body of the tribal government seeks and receives the approval of the authority to provide any of its insurance programs by contract with the authority, as provided in RCW 41.05.021(1) (f) and (g); (v) employees of the Washington health benefit exchange if the governing board of the exchange established in RCW 43.71.020 seeks and receives approval of the authority to provide any of its insurance programs by contract with the authority, as provided in RCW 41.05.021(1) (g) and (n); and (vi) through December 31, 2019, employees of a charter school established under chapter 28A.710 RCW. "Employee" does not include: Adult family home providers; unpaid volunteers; patients of state hospitals; inmates; employees of the Washington state convention and trade center as provided in RCW 41.05.110; students of institutions of higher education as determined by their institution; and any others not expressly defined as employees under this chapter or by the authority under this chapter.

(b) Effective January 1, 2020, "school employee" for the school employees' benefits board program includes all employees of school districts, educational service districts, and charter schools established under chapter 28A.710 RCW.

(7) "Employee group" means employees of a similar employment type, such as administrative, represented classified, nonrepresented classified, confidential, represented certificated, or nonrepresented certificated, within a school ~~((district))~~ employees' benefits board organization.

(8)(a) "Employer" for the public employees' benefits board program means the state of Washington.

(b) "Employer" for the school employees' benefits board program means school districts and educational service districts and charter schools established under chapter 28A.710 RCW.

(9) "Employer group" means those counties, municipalities, political subdivisions, the Washington health benefit exchange, tribal governments, ~~((school districts, and educational service districts, and))~~ employee organizations representing state civil service employees, and through December 31, 2019, school districts, educational service districts, and charter schools obtaining employee benefits through a contractual agreement with the authority to participate in benefit plans developed by the public employees' benefits board.

(10)(a) "Employing agency" for the public employees' benefits board program means a division, department, or separate agency of state government, including an institution of higher education; a county, municipality, or other political subdivision; ~~((charter school;))~~ and a tribal government covered by this chapter.

(b) "Employing agency" for the school employees' benefits board program means school districts ~~((and)),~~ educational service districts, and charter schools.

(11) "Faculty" means an academic employee of an institution of higher education whose workload is not defined by work hours but whose appointment, workload, and duties directly serve the institution's academic mission, as determined under the authority of its enabling statutes, its governing body, and any applicable collective bargaining agreement.

(12) "Flexible benefit plan" means a benefit plan that allows employees and school employees to choose the level of health care coverage provided and the amount of employee or school employee contributions from among a range of choices offered by the authority.

(13) "Insuring entity" means an insurer as defined in chapter 48.01 RCW, a health care service contractor as defined in chapter 48.44 RCW, or a health maintenance organization as defined in chapter 48.46 RCW.

(14) "Medical flexible spending arrangement" means a benefit plan whereby state and school employees may reduce their salary before taxes to pay for medical expenses not reimbursed by insurance as provided in the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

(15) "Participant" means an individual who fulfills the eligibility and enrollment requirements under the salary reduction plan.

(16) "Plan year" means the time period established by the authority.

(17) "Premium payment plan" means a benefit plan whereby ~~((state and))~~ public employees may pay their share of group health plan premiums with pretax dollars as provided in the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

(18) "Public employee" has the same meaning as employee and school employee.

(19) "Retired or disabled school employee" means:

(a) Persons who separated from employment with a school district or educational service district and are receiving a retirement allowance under chapter 41.32 or 41.40 RCW as of September 30, 1993;

(b) Persons who separate from employment with a school district, educational service district, or charter school on or after October 1, 1993, and immediately upon separation receive a retirement allowance under chapter 41.32, 41.35, or 41.40 RCW;

(c) Persons who separate from employment with a school district, educational service district, or charter school due to a total and permanent disability, and are eligible to receive a deferred retirement allowance under chapter 41.32, 41.35, or 41.40 RCW.

~~((19))~~ (20) "Salary" means a state or school employee's monthly salary or wages.

~~((20))~~ (21) "Salary reduction plan" means a benefit plan whereby ~~((state and))~~ public employees may agree to a reduction of salary on a pretax basis to participate in the dependent care assistance program, medical flexible spending arrangement, or premium payment plan offered pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

~~((21) "School employees' benefits board" means the board established in RCW 41.05.740.)~~

(22) "School employees' benefits board ~~((participating))~~ organization" means a public school district or educational service district or charter school established under chapter 28A.710 RCW that ~~((participates))~~ is required to participate in benefit plans provided by the school employees' benefits board.

(23) "School year" means school year as defined in RCW 28A.150.203(11).

(24) "Seasonal employee" means a state employee hired to work during a recurring, annual season with a duration of three months or more, and anticipated to return each season to perform similar work.

~~((24))~~ (25) "Separated employees" means persons who separate from employment with an employer as defined in:

(a) RCW 41.32.010(17) on or after July 1, 1996; or

(b) RCW 41.35.010 on or after September 1, 2000; or

(c) RCW 41.40.010 on or after March 1, 2002;

and who are at least age fifty-five and have at least ten years of service under the teachers' retirement system plan 3 as defined in RCW 41.32.010(33), the Washington school employees' retirement system plan 3 as defined in RCW 41.35.010, or the

public employees' retirement system plan 3 as defined in RCW 41.40.010.

~~((25))~~ (26) "State purchased health care" or "health care" means medical and health care, pharmaceuticals, and medical equipment purchased with state and federal funds by the department of social and health services, the department of health, the basic health plan, the state health care authority, the department of labor and industries, the department of corrections, the department of veterans affairs, and local school districts.

~~((26))~~ (27) "Tribal government" means an Indian tribal government as defined in section 3(32) of the employee retirement income security act of 1974, as amended, or an agency or instrumentality of the tribal government, that has government offices principally located in this state.

NEW SECTION. Sec. 5. A new section is added to chapter 41.05 RCW to read as follows:

It is the intent of the legislature that the word "board" be read to mean both the school employees' benefits board and the public employees' benefits board throughout this chapter. The use of "board" should be liberally construed to mean both boards, to the extent not in conflict with state or federal law. In no case shall either board be limited from exercising its individual authority as authorized within this chapter.

Sec. 6. RCW 41.05.021 and 2017 3rd sp.s. c 13 s 803 are each amended to read as follows:

(1) The Washington state health care authority is created within the executive branch. The authority shall have a director appointed by the governor, with the consent of the senate. The director shall serve at the pleasure of the governor. The director may employ a deputy director, and such assistant directors and special assistants as may be needed to administer the authority, who shall be exempt from chapter 41.06 RCW, and any additional staff members as are necessary to administer this chapter. The director may delegate any power or duty vested in him or her by law, including authority to make final decisions and enter final orders in hearings conducted under chapter 34.05 RCW. The primary duties of the authority shall be to: Administer insurance benefits for ~~((state))~~ employees, retired or disabled state and school employees, and ~~((subject to school employees' benefits board direction,))~~ school employees; administer the basic health plan pursuant to chapter 70.47 RCW; administer the children's health program pursuant to chapter 74.09 RCW; study state purchased health care programs in order to maximize cost containment in these programs while ensuring access to quality health care; implement state initiatives, joint purchasing strategies, and techniques for efficient administration that have potential application to all state-purchased health services; and administer grants that further the mission and goals of the authority. The authority's duties include, but are not limited to, the following:

(a) To administer health care benefit programs for ~~((state))~~ employees, retired or disabled state and school employees, and ~~((subject to school employees' benefits board direction,))~~ school employees as specifically authorized in RCW 41.05.065 and 41.05.740 and in accordance with the methods described in RCW 41.05.075, 41.05.140, and other provisions of this chapter;

(b) To analyze state purchased health care programs and to explore options for cost containment and delivery alternatives for those programs that are consistent with the purposes of those programs, including, but not limited to:

(i) Creation of economic incentives for the persons for whom the state purchases health care to appropriately utilize and purchase health care services, including the development of flexible benefit plans to offset increases in individual financial

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

responsibility;

(ii) Utilization of provider arrangements that encourage cost containment, including but not limited to prepaid delivery systems, utilization review, and prospective payment methods, and that ensure access to quality care, including assuring reasonable access to local providers, especially for employees and school employees residing in rural areas;

(iii) Coordination of state agency efforts to purchase drugs effectively as provided in RCW 70.14.050;

(iv) Development of recommendations and methods for purchasing medical equipment and supporting services on a volume discount basis;

(v) Development of data systems to obtain utilization data from state purchased health care programs in order to identify cost centers, utilization patterns, provider and hospital practice patterns, and procedure costs, utilizing the information obtained pursuant to RCW 41.05.031; and

(vi) In collaboration with other state agencies that administer state purchased health care programs, private health care purchasers, health care facilities, providers, and carriers:

(A) Use evidence-based medicine principles to develop common performance measures and implement financial incentives in contracts with insuring entities, health care facilities, and providers that:

(I) Reward improvements in health outcomes for individuals with chronic diseases, increased utilization of appropriate preventive health services, and reductions in medical errors; and

(II) Increase, through appropriate incentives to insuring entities, health care facilities, and providers, the adoption and use of information technology that contributes to improved health outcomes, better coordination of care, and decreased medical errors;

(B) Through state health purchasing, reimbursement, or pilot strategies, promote and increase the adoption of health information technology systems, including electronic medical records, by hospitals as defined in RCW 70.41.020, integrated delivery systems, and providers that:

(I) Facilitate diagnosis or treatment;

(II) Reduce unnecessary duplication of medical tests;

(III) Promote efficient electronic physician order entry;

(IV) Increase access to health information for consumers and their providers; and

(V) Improve health outcomes;

(C) Coordinate a strategy for the adoption of health information technology systems using the final health information technology report and recommendations developed under chapter 261, Laws of 2005;

(c) To analyze areas of public and private health care interaction;

(d) To provide information and technical and administrative assistance to the board (~~and the school employees' benefits board~~);

(e) To review and approve or deny applications from counties, municipalities, and other political subdivisions of the state to provide state-sponsored insurance or self-insurance programs to their employees in accordance with the provisions of RCW 41.04.205 and (g) of this subsection, setting the premium contribution for approved groups as outlined in RCW 41.05.050;

(f) To review and approve or deny the application when the governing body of a tribal government applies to transfer their employees to an insurance or self-insurance program administered (~~under this chapter~~) by the public employees' benefits board. In the event of an employee transfer pursuant to this subsection (1)(f), members of the governing body are eligible to be included in such a transfer if the members are authorized by

the tribal government to participate in the insurance program being transferred from and subject to payment by the members of all costs of insurance for the members. The authority shall: (i) Establish the conditions for participation; (ii) have the sole right to reject the application; and (iii) set the premium contribution for approved groups as outlined in RCW 41.05.050. Approval of the application by the authority transfers the employees and dependents involved to the insurance, self-insurance, or health care program (~~approved by the authority~~) administered by the public employees' benefits board;

(g) To ensure the continued status of the employee insurance or self-insurance programs administered under this chapter as a governmental plan under section 3(32) of the employee retirement income security act of 1974, as amended, the authority shall limit the participation of employees of a county, municipal, school district, educational service district, or other political subdivision, the Washington health benefit exchange, or a tribal government, including providing for the participation of those employees whose services are substantially all in the performance of essential governmental functions, but not in the performance of commercial activities. Charter schools established under chapter 28A.710 RCW are employers and are school employees' benefits board organizations unless:

(i) The authority receives guidance from the internal revenue service or the United States department of labor that participation jeopardizes the status of plans offered under this chapter as governmental plans under the federal employees' retirement income security act or the internal revenue code; or

(ii) The charter schools are not in compliance with regulations issued by the internal revenue service and the United States treasury department pertaining to section 414(d) of the federal internal revenue code;

(h) To establish billing procedures and collect funds from school (~~districts~~) employees' benefits board organizations in a way that minimizes the administrative burden on districts;

(i) Through December 31, 2019, to publish and distribute to nonparticipating school districts and educational service districts by October 1st of each year a description of health care benefit plans available through the authority and the estimated cost if school districts and educational service district employees were enrolled;

(j) To apply for, receive, and accept grants, gifts, and other payments, including property and service, from any governmental or other public or private entity or person, and make arrangements as to the use of these receipts to implement initiatives and strategies developed under this section;

(k) To issue, distribute, and administer grants that further the mission and goals of the authority;

(l) To adopt rules consistent with this chapter as described in RCW 41.05.160 including, but not limited to:

(i) Setting forth the criteria established by the public employees' benefits board under RCW 41.05.065, and by the school employees' benefits board under RCW 41.05.740, for determining whether an employee or school employee is eligible for benefits;

(ii) Establishing an appeal process in accordance with chapter 34.05 RCW by which an employee or school employee may appeal an eligibility determination;

(iii) Establishing a process to assure that the eligibility determinations of an employing agency comply with the criteria under this chapter, including the imposition of penalties as may be authorized by the board (~~or the school employees' benefits board~~);

(m)(i) To administer the medical services programs established under chapter 74.09 RCW as the designated single state agency

for purposes of Title XIX of the federal social security act;

(ii) To administer the state children's health insurance program under chapter 74.09 RCW for purposes of Title XXI of the federal social security act;

(iii) To enter into agreements with the department of social and health services for administration of medical care services programs under Titles XIX and XXI of the social security act. The agreements shall establish the division of responsibilities between the authority and the department with respect to mental health, chemical dependency, and long-term care services, including services for persons with developmental disabilities. The agreements shall be revised as necessary, to comply with the final implementation plan adopted under section 116, chapter 15, Laws of 2011 1st sp. sess.;

(iv) To adopt rules to carry out the purposes of chapter 74.09 RCW;

(v) To appoint such advisory committees or councils as may be required by any federal statute or regulation as a condition to the receipt of federal funds by the authority. The director may appoint statewide committees or councils in the following subject areas: (A) Health facilities; (B) children and youth services; (C) blind services; (D) medical and health care; (E) drug abuse and alcoholism; (F) rehabilitative services; and (G) such other subject matters as are or come within the authority's responsibilities. The statewide councils shall have representation from both major political parties and shall have substantial consumer representation. Such committees or councils shall be constituted as required by federal law or as the director in his or her discretion may determine. The members of the committees or councils shall hold office for three years except in the case of a vacancy, in which event appointment shall be only for the remainder of the unexpired term for which the vacancy occurs. No member shall serve more than two consecutive terms. Members of such state advisory committees or councils may be paid their travel expenses in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended;

(n) To review and approve or deny the application from the governing board of the Washington health benefit exchange to provide public employees' benefits board state-sponsored insurance or self-insurance programs to employees of the exchange. The authority shall (i) establish the conditions for participation; (ii) have the sole right to reject an application; and (iii) set the premium contribution for approved groups as outlined in RCW 41.05.050.

(2) On and after January 1, 1996, the public employees' benefits board and the school employees' benefits board beginning October 1, 2017, may implement strategies to promote managed competition among employee and school employee health benefit plans. Strategies may include but are not limited to:

- (a) Standardizing the benefit package;
- (b) Soliciting competitive bids for the benefit package;
- (c) Limiting the state's contribution to a percent of the lowest priced qualified plan within a geographical area;
- (d) Monitoring the impact of the approach under this subsection with regards to: Efficiencies in health service delivery, cost shifts to subscribers, access to and choice of managed care plans statewide, and quality of health services. The health care authority shall also advise on the value of administering a benchmark employer-managed plan to promote competition among managed care plans.

Sec. 7. RCW 41.05.022 and 2017 3rd sp.s. c 13 s 804 are each amended to read as follows:

(1) The health care authority is hereby designated as the single state agent for purchasing health services.

(2) On and after January 1, 1995, at least the following state-

purchased health services programs shall be merged into a single, community-rated risk pool: Health benefits for groups of employees of school districts and educational service districts that voluntarily purchase health benefits as provided in RCW 41.05.011 through December 31, 2019; health benefits for ~~((state))~~ employees; health benefits for eligible retired or disabled school employees not eligible for parts A and B of medicare; and health benefits for eligible state retirees not eligible for parts A and B of medicare.

(3) On and after January 1, 2020, health benefits for groups of school employees of ~~((school districts and educational service districts))~~ school employees' benefits board organizations shall be merged into a single, community-rated risk pool separate and distinct from the pool described in subsection (2) of this section.

(4) By December 15, 2018, the health care authority, in consultation with the ~~((public employees' benefits board and the school employees' benefits))~~ board, shall submit to the appropriate committees of the legislature a complete analysis of the most appropriate risk pool for the retired and disabled school employees, to include at a minimum an analysis of the size of the nonmedicare and medicare retiree enrollment pools, the impacts on cost for state and school district retirees of moving retirees from one pool to another, the need for and the amount of an ongoing retiree subsidy allocation from the active school employees, and the timing and suggested approach for a transition from one risk pool to another.

(5) At a minimum, and regardless of other legislative enactments, the state health services purchasing agent shall:

(a) Require that a public agency that provides subsidies for a substantial portion of services now covered under the basic health plan use uniform eligibility processes, insofar as may be possible, and ensure that multiple eligibility determinations are not required;

(b) Require that a health care provider or a health care facility that receives funds from a public program provide care to state residents receiving a state subsidy who may wish to receive care from them, and that an insuring entity that receives funds from a public program accept enrollment from state residents receiving a state subsidy who may wish to enroll with them;

(c) Strive to integrate purchasing for all publicly sponsored health services in order to maximize the cost control potential and promote the most efficient methods of financing and coordinating services;

(d) Consult regularly with the governor, the legislature, and state agency directors whose operations are affected by the implementation of this section; and

(e) Ensure the control of benefit costs under managed competition by adopting rules to prevent ~~((employers))~~ an employing agency from entering into an agreement with employees or employee organizations when the agreement would result in increased utilization in ~~((public employees' benefits board or school employeeF:\Journal\2018 Journal\Journal2018\LegDay038\1.doc benefits))~~ board plans or reduce the expected savings of managed competition.

Sec. 8. RCW 41.05.023 and 2007 c 259 s 6 are each amended to read as follows:

(1) The health care authority, in collaboration with the department of health, shall design and implement a chronic care management program for ~~((state))~~ employees and school employees enrolled in the state's self-insured uniform medical plan. Programs must be evidence based, facilitating the use of information technology to improve quality of care and must improve coordination of primary, acute, and long-term care for those enrollees with multiple chronic conditions. The authority shall consider expansion of existing medical home and chronic

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

care management programs. The authority shall use best practices in identifying those employees and school employees best served under a chronic care management model using predictive modeling through claims or other health risk information.

(2) For purposes of this section:

(a) "Medical home" means a site of care that provides comprehensive preventive and coordinated care centered on the patient needs and assures high-quality, accessible, and efficient care.

(b) "Chronic care management" means the authority's program that provides care management and coordination activities for health plan enrollees determined to be at risk for high medical costs. "Chronic care management" provides education and training and/or coordination that assist program participants in improving self-management skills to improve health outcomes and reduce medical costs by educating clients to better utilize services.

Sec. 9. RCW 41.05.026 and 2017 3rd sp.s. c 13 s 805 are each amended to read as follows:

(1) When soliciting proposals for the purpose of awarding contracts for goods or services, the director shall, upon written request by the bidder, exempt from public inspection and copying such proprietary data, trade secrets, or other information contained in the bidder's proposal that relate to the bidder's unique methods of conducting business or of determining prices or premium rates to be charged for services under terms of the proposal.

(2) When soliciting information for the development, acquisition, or implementation of state purchased health care services, the director shall, upon written request by the respondent, exempt from public inspection and copying such proprietary data, trade secrets, or other information submitted by the respondent that relate to the respondent's unique methods of conducting business, data unique to the product or services of the respondent, or to determining prices or rates to be charged for services.

(3) Actuarial formulas, statistics, cost and utilization data, or other proprietary information submitted upon request of the director, board, ~~((school employees' benefits board,))~~ or a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under this chapter by a contracting insurer, health care service contractor, health maintenance organization, vendor, or other health services organization may be withheld at any time from public inspection when necessary to preserve trade secrets or prevent unfair competition.

(4) The board~~((school employees' benefits board,))~~ or a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under this chapter, may hold an executive session in accordance with chapter 42.30 RCW during any regular or special meeting to discuss information submitted in accordance with subsections (1) through (3) of this section.

(5) A person who challenges a request for or designation of information as exempt under this section is entitled to seek judicial review pursuant to chapter 42.56 RCW.

Sec. 10. RCW 41.05.050 and 2017 3rd sp.s. c 13 s 806 are each amended to read as follows:

(1) Every: (a) Department, division, or separate agency of state government; (b) county, municipal, school district, educational service district, or other political subdivisions; and (c) tribal governments 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 authority. Contributions, paid by the county, the municipality, other political subdivision, or a tribal government for their employees, shall include an amount determined by the authority to pay such administrative expenses of the authority as are necessary to administer the plans for employees of those groups, except as provided in subsection (4) of this section.

(2) To account for increased cost of benefits for the state and for state employees, the authority may develop a rate surcharge applicable to participating counties, municipalities, other political subdivisions, and tribal governments.

(3) The contributions of any: (a) Department, division, or separate agency of the state government; (b) county, municipal, or other political subdivisions; (c) any tribal government as are covered by this chapter; and (d) school districts ~~((and)),~~ educational service districts, and charter schools, shall be set by the authority, subject to the approval of the governor for availability of funds as specifically appropriated by the legislature for that purpose. Insurance and health care contributions for ferry employees shall be governed by RCW 47.64.270.

(4)(a) Until January 1, 2020, the authority shall collect from each participating school district and educational service district an amount equal to the composite rate charged to state agencies, plus an amount equal to the employee premiums by plan and family size as would be charged to ~~((state))~~ employees, for groups of school district and educational service district employees enrolled in authority plans. The authority may collect these amounts in accordance with the school district or educational service district fiscal year, as described in RCW 28A.505.030.

(b) For all groups of school district or educational service district employees enrolling in authority plans for the first time after September 1, 2003, and until January 1, 2020, the authority shall collect from each participating school district or educational service district an amount equal to the composite rate charged to state agencies, plus an amount equal to the employee premiums by plan and by family size as would be charged to ~~((state))~~ employees, only if the authority determines that this method of billing the school districts and educational service districts will not result in a material difference between revenues from school districts and educational service districts and expenditures made by the authority on behalf of school districts and educational service districts and their employees. The authority may collect these amounts in accordance with the school district or educational service district fiscal year, as described in RCW 28A.505.030.

(c) Until January 1, 2020, if the authority determines at any time that the conditions in (b) of this subsection cannot be met, the authority shall offer enrollment to additional groups of ~~((district))~~ school and educational service district employees on a tiered rate structure until such time as the authority determines there would be no material difference between revenues and expenditures under a composite rate structure for all ~~((district))~~ school and educational service district employees enrolled in authority plans.

(d) Beginning January 1, 2020, all school districts ~~((and)),~~ educational service districts, and charter schools shall commence participation in the school employees' benefits board program established under RCW 41.05.740. All school districts ~~((and)),~~ educational service districts, charter schools, and all school district employee groups participating in the public employees' benefits board plans before January 1, 2020, shall thereafter participate in the school employees' benefits board program administered by the authority. All school districts, educational service districts, and charter schools shall provide contributions to the authority for insurance and health care plans for school employees and their dependents. These contributions must be

provided to the authority for all eligible school employees eligible for benefits under RCW 41.05.740(6)(d), including school employees who have waived their coverage; contributions to the authority are not required for individuals eligible for benefits under RCW 41.05.740(6)(e) who waive their coverage.

(e) For the purposes of this subsection(=

~~(i) "District" means school district and educational service district; and~~

~~(iii)), "tiered rates" means the amounts the authority must pay to insuring entities by plan and by family size.~~

(f) Notwithstanding this subsection and RCW 41.05.065(4), the authority may allow school districts and educational service districts enrolled on a tiered rate structure prior to September 1, 2002, and until January 1, 2020, to continue participation based on the same rate structure and under the same conditions and eligibility criteria.

(5) The authority shall transmit a recommendation for the amount of the employer contributions to the governor and the director of financial management for inclusion in the proposed budgets submitted to the legislature.

Sec. 11. RCW 41.05.055 and 2017 3rd sp.s. c 13 s 807 are each amended to read as follows:

(1) The public employees' benefits board is created within the authority. The function of the public employees' benefits board is to design and approve insurance benefit plans for employees and to establish eligibility criteria for participation in insurance benefit plans.

(2) The public employees' benefits board shall be composed of nine members through December 31, 2019, and of eight members thereafter, appointed by the governor as follows:

(a) Two representatives of state employees, one of whom shall represent an employee union certified as exclusive representative of at least one bargaining unit of classified employees, and one of whom is retired, is covered by a program under the jurisdiction of the public employees' benefits board, and represents an organized group of retired public employees;

(b) Through December 31, 2019, two representatives of school district employees, one of whom shall represent an association of school employees as a nonvoting member, and one of whom is retired, and represents an organized group of retired school employees. Thereafter, and only while retired school employees are served by the public employees' benefits board, only the retired representative shall serve on the public employees' benefits board;

(c) Four members with experience in health benefit management and cost containment, one of whom shall be a nonvoting member; and

(d) The director.

(3) The governor shall appoint the initial members of the public employees' benefits board to staggered terms not to exceed four years. Members appointed thereafter shall serve two-year terms. Members of the public employees' benefits board shall be compensated in accordance with RCW 43.03.250 and shall be reimbursed for their travel expenses while on official business in accordance with RCW 43.03.050 and 43.03.060. The public employees' benefits board shall prescribe rules for the conduct of its business. The director shall serve as chair of the public employees' benefits board. Meetings of the public employees' benefits board shall be at the call of the chair.

Sec. 12. RCW 41.05.065 and 2015 c 116 s 3 are each amended to read as follows:

(1) The public employees' benefits board shall study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and

dismemberment insurance, and disability income insurance or any of, or a combination of, the enumerated types of insurance for employees and their dependents on the best basis possible with relation both to the welfare of the employees and to the state. However, liability insurance shall not be made available to dependents.

(2) The public employees' benefits board shall develop employee benefit plans that include comprehensive health care benefits for employees. In developing these plans, the public employees' benefits board shall consider the following elements:

(a) Methods of maximizing cost containment while ensuring access to quality health care;

(b) Development of provider arrangements that encourage cost containment and ensure access to quality care, including but not limited to prepaid delivery systems and prospective payment methods;

(c) Wellness incentives that focus on proven strategies, such as smoking cessation, injury and accident prevention, reduction of alcohol misuse, appropriate weight reduction, exercise, automobile and motorcycle safety, blood cholesterol reduction, and nutrition education;

(d) Utilization review procedures including, but not limited to a cost-efficient method for prior authorization of services, hospital inpatient length of stay review, requirements for use of outpatient surgeries and second opinions for surgeries, review of invoices or claims submitted by service providers, and performance audit of providers;

(e) Effective coordination of benefits; and

(f) Minimum standards for insuring entities.

(3) To maintain the comprehensive nature of employee health care benefits, benefits provided to employees shall be substantially equivalent to the state employees' health benefit((s)) plan in effect on January 1, 1993. Nothing in this subsection shall prohibit changes or increases in employee point-of-service payments or employee premium payments for benefits or the administration of a high deductible health plan in conjunction with a health savings account. The public employees' benefits board may establish employee eligibility criteria which are not substantially equivalent to employee eligibility criteria in effect on January 1, 1993.

(4) Except if bargained for under chapter 41.80 RCW, the public employees' benefits board shall design benefits and determine the terms and conditions of employee and retired or disabled school employee participation and coverage, including establishment of eligibility criteria subject to the requirements of this chapter. Employer groups obtaining benefits through contractual agreement with the authority for employees defined in RCW 41.05.011(6)(a) (i) through ~~((e))~~ (vi) may contractually agree with the authority to benefits eligibility criteria which differs from that determined by the public employees' benefits board. The eligibility criteria established by the public employees' benefits board shall be no more restrictive than the following:

(a) Except as provided in (b) through (e) of this subsection, an employee is eligible for benefits from the date of employment if the employing agency anticipates he or she will work an average of at least eighty hours per month and for at least eight hours in each month for more than six consecutive months. An employee determined ineligible for benefits at the beginning of his or her employment shall become eligible in the following circumstances:

(i) An employee who works an average of at least eighty hours per month and for at least eight hours in each month and whose anticipated duration of employment is revised from less than or equal to six consecutive months to more than six consecutive months becomes eligible when the revision is made.

(ii) An employee who works an average of at least eighty hours

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

per month over a period of six consecutive months and for at least eight hours in each of those six consecutive months becomes eligible at the first of the month following the six-month averaging period.

(b) A seasonal employee is eligible for benefits from the date of employment if the employing agency anticipates that he or she will work an average of at least eighty hours per month and for at least eight hours in each month of the season. A seasonal employee determined ineligible at the beginning of his or her employment who works an average of at least eighty hours per month over a period of six consecutive months and at least eight hours in each of those six consecutive months becomes eligible at the first of the month following the six-month averaging period. A benefits-eligible seasonal employee who works a season of less than nine months shall not be eligible for the employer contribution during the off season, but may continue enrollment in benefits during the off season by self-paying for the benefits. A benefits-eligible seasonal employee who works a season of nine months or more is eligible for the employer contribution through the off season following each season worked.

(c) Faculty are eligible as follows:

(i) Faculty who the employing agency anticipates will work half-time or more for the entire instructional year or equivalent nine-month period are eligible for benefits from the date of employment. Eligibility shall continue until the beginning of the first full month of the next instructional year, unless the employment relationship is terminated, in which case eligibility shall cease the first month following the notice of termination or the effective date of the termination, whichever is later.

(ii) Faculty who the employing agency anticipates will not work for the entire instructional year or equivalent nine-month period are eligible for benefits at the beginning of the second consecutive quarter or semester of employment in which he or she is anticipated to work, or has actually worked, half-time or more. Such an employee shall continue to receive uninterrupted employer contributions for benefits if the employee works at least half-time in a quarter or semester. Faculty who the employing agency anticipates will not work for the entire instructional year or equivalent nine-month period, but who actually work half-time or more throughout the entire instructional year, are eligible for summer or off-quarter or off-semester coverage. Faculty who have met the criteria of this subsection (4)(c)(ii), who work at least two quarters or two semesters of the academic year with an average academic year workload of half-time or more for three quarters or two semesters of the academic year, and who have worked an average of half-time or more in each of the two preceding academic years shall continue to receive uninterrupted employer contributions for benefits if he or she works at least half-time in a quarter or semester or works two quarters or two semesters of the academic year with an average academic workload each academic year of half-time or more for three quarters or two semesters. Eligibility under this section ceases immediately if this criteria is not met.

(iii) Faculty may establish or maintain eligibility for benefits by working for more than one institution of higher education. When faculty work for more than one institution of higher education, those institutions shall prorate the employer contribution costs, or if eligibility is reached through one institution, that institution will pay the full employer contribution. Faculty working for more than one institution must alert his or her employers to his or her potential eligibility in order to establish eligibility.

(iv) The employing agency must provide written notice to faculty who are potentially eligible for benefits under this subsection (4)(c) of their potential eligibility.

(v) To be eligible for maintenance of benefits through averaging under (c)(ii) of this subsection, faculty must provide written notification to his or her employing agency or agencies of his or her potential eligibility.

(vi) For the purposes of this subsection (4)(c):

(A) "Academic year" means summer, fall, winter, and spring quarters or summer, fall, and spring semesters;

(B) "Half-time" means one-half of the full-time academic workload as determined by each institution; except that for community and technical college faculty, half-time academic workload is calculated according to RCW 28B.50.489.

(d) A legislator is eligible for benefits on the date his or her term begins. All other elected and full-time appointed officials of the legislative and executive branches of state government are eligible for benefits on the date his or her term begins or they take the oath of office, whichever occurs first.

(e) A justice of the supreme court and judges of the court of appeals and the superior courts become eligible for benefits on the date he or she takes the oath of office.

(f) Except as provided in (c)(i) and (ii) of this subsection, eligibility ceases for any employee the first of the month following termination of the employment relationship.

(g) In determining eligibility under this section, the employing agency may disregard training hours, standby hours, or temporary changes in work hours as determined by the authority under this section.

(h) Insurance coverage for all eligible employees begins on the first day of the month following the date when eligibility for benefits is established. If the date eligibility is established is the first working day of a month, insurance coverage begins on that date.

(i) Eligibility for an employee whose work circumstances are described by more than one of the eligibility categories in (a) through (e) of this subsection shall be determined solely by the criteria of the category that most closely describes the employee's work circumstances.

(j) Except for an employee eligible for benefits under (b) or (c)(ii) of this subsection, an employee who has established eligibility for benefits under this section shall remain eligible for benefits each month in which he or she is in pay status for eight or more hours, if (i) he or she remains in a benefits-eligible position and (ii) leave from the benefits-eligible position is approved by the employing agency. A benefits-eligible seasonal employee is eligible for the employer contribution in any month of his or her season in which he or she is in pay status eight or more hours during that month. Eligibility ends if these conditions are not met, the employment relationship is terminated, or the employee voluntarily transfers to a noneligible position.

(k) For the purposes of this subsection, the public employees' benefits board shall define "benefits-eligible position."

(5) The public employees' benefits board may authorize premium contributions for an employee and the employee's dependents in a manner that encourages the use of cost-efficient managed health care systems.

(6)(a) For any open enrollment period following August 24, 2011, the public employees' benefits board shall offer a health savings account option for employees that conforms to section 223, Part VII of subchapter B of chapter 1 of the internal revenue code of 1986. The public employees' benefits board shall comply with all applicable federal standards related to the establishment of health savings accounts.

(b) By November 30, 2015, and each year thereafter, the authority shall submit a report to the relevant legislative policy and fiscal committees that includes the following:

(i) Public employees' benefits board health plan cost and

service utilization trends for the previous three years, in total and for each health plan offered to employees;

(ii) For each health plan offered to employees, the number and percentage of employees and dependents enrolled in the plan, and the age and gender demographics of enrollees in each plan;

(iii) Any impact of enrollment in alternatives to the most comprehensive plan, including the high deductible health plan with a health savings account, upon the cost of health benefits for those employees who have chosen to remain enrolled in the most comprehensive plan.

(7) Notwithstanding any other provision of this chapter, for any open enrollment period following August 24, 2011, the public employees' benefits board shall offer a high deductible health plan in conjunction with a health savings account developed under subsection (6) of this section.

(8) Employees shall choose participation in one of the health care benefit plans developed by the public employees' benefits board and may be permitted to waive coverage under terms and conditions established by the public employees' benefits board.

(9) The public employees' benefits board shall review plans proposed by insuring entities that desire to offer property insurance and/or accident and casualty insurance to state employees through payroll deduction. The public employees' benefits board may approve any such plan for payroll deduction by insuring entities holding a valid certificate of authority in the state of Washington and which the public employees' benefits board determines to be in the best interests of employees and the state. The public employees' benefits board shall adopt rules setting forth criteria by which it shall evaluate the plans.

(10) Before January 1, 1998, the public employees' benefits board shall make available one or more fully insured long-term care insurance plans that comply with the requirements of chapter 48.84 RCW. Such programs shall be made available to eligible employees, retired employees, and retired school employees as well as eligible dependents which, for the purpose of this section, includes the parents of the employee or retiree and the parents of the spouse of the employee or retiree. Employees of local governments, political subdivisions, and tribal governments not otherwise enrolled in the public employees' benefits board sponsored medical programs may enroll under terms and conditions established by the ~~((administrator))~~ director, if it does not jeopardize the financial viability of the public employees' benefits board's long-term care offering.

(a) Participation of eligible employees or retired employees and retired school employees in any long-term care insurance plan made available by the public employees' benefits board is voluntary and shall not be subject to binding arbitration under chapter 41.56 RCW. Participation is subject to reasonable underwriting guidelines and eligibility rules established by the public employees' benefits board and the health care authority.

(b) The employee, retired employee, and retired school employee are solely responsible for the payment of the premium rates developed by the health care authority. The health care authority is authorized to charge a reasonable administrative fee in addition to the premium charged by the long-term care insurer, which shall include the health care authority's cost of administration, marketing, and consumer education materials prepared by the health care authority and the office of the insurance commissioner.

(c) To the extent administratively possible, the state shall establish an automatic payroll or pension deduction system for the payment of the long-term care insurance premiums.

(d) The public employees' benefits board and the health care authority shall establish a technical advisory committee to provide advice in the development of the benefit design and establishment of underwriting guidelines and eligibility rules.

The committee shall also advise the public employees' benefits board and authority on effective and cost-effective ways to market and distribute the long-term care product. The technical advisory committee shall be comprised, at a minimum, of representatives of the office of the insurance commissioner, providers of long-term care services, licensed insurance agents with expertise in long-term care insurance, employees, retired employees, retired school employees, and other interested parties determined to be appropriate by the public employees' benefits board.

(e) The health care authority shall offer employees, retired employees, and retired school employees the option of purchasing long-term care insurance through licensed agents or brokers appointed by the long-term care insurer. The authority, in consultation with the public employees' benefits board, shall establish marketing procedures and may consider all premium components as a part of the contract negotiations with the long-term care insurer.

(f) In developing the long-term care insurance benefit designs, the public employees' benefits board shall include an alternative plan of care benefit, including adult day services, as approved by the office of the insurance commissioner.

(g) The health care authority, with the cooperation of the office of the insurance commissioner, shall develop a consumer education program for the eligible employees, retired employees, and retired school employees designed to provide education on the potential need for long-term care, methods of financing long-term care, and the availability of long-term care insurance products including the products offered by the public employees' benefits board.

(11) The public employees' benefits board may establish penalties to be imposed by the authority when the eligibility determinations of an employing agency fail to comply with the criteria under this chapter.

Sec. 13. RCW 41.05.066 and 2015 c 116 s 4 are each amended to read as follows:

A certificate of domestic partnership qualified under the provisions of RCW 26.60.030 shall be recognized as evidence of a qualified domestic partnership fulfilling all necessary eligibility criteria for the partner of the employee or school employee to receive benefits. Nothing in this section affects the requirements of domestic partners to complete documentation related to federal tax status that may currently be required by the board for employees or school employees choosing to make premium payments on a pretax basis.

Sec. 14. RCW 41.05.075 and 2017 3rd sp.s. c 13 s 808 are each amended to read as follows:

(1) The director shall provide benefit plans designed by the board ~~((and the school employees' benefits board))~~ through a contract or contracts with insuring entities, through self-funding, self-insurance, or other methods of providing insurance coverage authorized by RCW 41.05.140. The process of contracting for plans offered by the school employees' benefits board is subject to ~~((oversight))~~ insight and direction by the school employees' benefits board.

(2) The director ~~((, subject to school employees' benefits board direction for plans offered to school employees,))~~ shall establish a contract bidding process that:

- (a) Encourages competition among insuring entities;
- (b) Maintains an equitable relationship between premiums charged for similar benefits and between risk pools including premiums charged for retired state and school district employees under the separate risk pools established by RCW 41.05.022 and 41.05.080 such that insuring entities may not avoid risk when

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

establishing the premium rates for retirees eligible for medicare;

(c) Is timely to the state budgetary process; and
(d) Sets conditions for awarding contracts to any insuring entity.

(3) ~~((School districts directly providing medical and dental benefits plans and contracted insuring entities providing medical and dental benefits plans to school districts on December 31, 2017.))~~ The entities described in RCW 28A.400.275(2) shall provide the school employees' benefits board and authority specified data by ((January 1, 2019)) April 1, 2018, in a format to be determined by the authority, to support an initial benefits plans procurement. At a minimum, the data must cover the period January 1, 2014, through ((August 1, 2018)) December 31, 2017, and include:

(a) A summary of the benefit packages offered to each group of ~~((district))~~ school employees, including covered benefits, point-of-service cost-sharing, member count, and the group policy number;

(b) Aggregated subscriber and member demographic information, including age band and gender, by insurance tier by month and by benefit packages;

(c) Monthly total by benefit package, including premiums paid, inpatient facility claims paid, outpatient facility claims paid, physician claims paid, pharmacy claims paid, capitation amounts paid, and other claims paid;

(d) A listing for calendar years 2014 through 2017 of large claims defined as annual amounts paid in excess of one hundred thousand dollars including the amount paid, the member enrollment status, and the primary diagnosis; ~~((and))~~

(e) A listing of calendar year ~~((2018))~~ 2017 allowed claims by provider entity; and

(f) All data needed for design, procurement, rate setting, and administration of all school employees' benefits board benefits.

Any data that may be confidential and contain personal health information may be protected in accordance with a data-sharing agreement.

(4) The director shall establish a requirement for review of utilization and financial data from participating insuring entities on a quarterly basis.

(5) The director shall centralize the enrollment files for all employee, school employee, and retired or disabled school employee health plans offered under chapter 41.05 RCW and develop enrollment demographics on a plan-specific basis.

(6) All claims data shall be the property of the state. The director may require of any insuring entity that submits a bid to contract for coverage all information deemed necessary including:

(a) Subscriber or member demographic and claims data necessary for risk assessment and adjustment calculations in order to fulfill the director's duties as set forth in this chapter; and

(b) Subscriber or member demographic and claims data necessary to implement performance measures or financial incentives related to performance under subsection (8) of this section.

(7) All contracts with insuring entities for the provision of health care benefits shall provide that the beneficiaries of such benefit plans may use 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 18.79 RCW, as it applies to registered nurses and advanced registered nurse practitioners. However, nothing in this subsection may preclude the director from establishing appropriate utilization controls approved pursuant to RCW 41.05.065(2) (a), (b), and (d).

(8) The director shall, in collaboration with other state agencies that administer state purchased health care programs, private

health care purchasers, health care facilities, providers, and carriers:

(a) Use evidence-based medicine principles to develop common performance measures and implement financial incentives in contracts with insuring entities, health care facilities, and providers that:

(i) Reward improvements in health outcomes for individuals with chronic diseases, increased utilization of appropriate preventive health services, and reductions in medical errors; and

(ii) Increase, through appropriate incentives to insuring entities, health care facilities, and providers, the adoption and use of information technology that contributes to improved health outcomes, better coordination of care, and decreased medical errors;

(b) Through state health purchasing, reimbursement, or pilot strategies, promote and increase the adoption of health information technology systems, including electronic medical records, by hospitals as defined in RCW 70.41.020, integrated delivery systems, and providers that:

(i) Facilitate diagnosis or treatment;

(ii) Reduce unnecessary duplication of medical tests;

(iii) Promote efficient electronic physician order entry;

(iv) Increase access to health information for consumers and their providers; and

(v) Improve health outcomes;

(c) Coordinate a strategy for the adoption of health information technology systems using the final health information technology report and recommendations developed under chapter 261, Laws of 2005.

(9) The director may permit the Washington state health insurance pool to contract to utilize any network maintained by the authority or any network under contract with the authority.

Sec. 15. RCW 41.05.080 and 2015 c 116 s 5 are each amended to read as follows:

(1) Under the qualifications, terms, conditions, and benefits set by the public employees' benefits board:

(a) Retired or disabled state employees, retired or disabled school employees, retired or disabled employees of county, municipal, or other political subdivisions, or retired or disabled employees of tribal governments covered by this chapter may continue their participation in insurance plans and contracts after retirement or disablement;

(b) Separated employees may continue their participation in insurance plans and contracts if participation is selected immediately upon separation from employment;

(c) Surviving spouses, surviving state registered domestic partners, and dependent children of emergency service personnel killed in the line of duty may participate in insurance plans and contracts.

(2) Rates charged surviving spouses and surviving state registered domestic partners of emergency service personnel killed in the line of duty, retired or disabled employees, separated employees, spouses, or dependent children who are not eligible for parts A and B of medicare shall be based on the experience of the community rated risk pool established under RCW 41.05.022.

(3) Rates charged to surviving spouses and surviving state registered domestic partners of emergency service personnel killed in the line of duty, retired or disabled employees, separated employees, spouses, or children who are eligible for parts A and B of medicare shall be calculated from a separate experience risk pool comprised only of individuals eligible for parts A and B of medicare; however, the premiums charged to medicare-eligible retirees and disabled employees shall be reduced by the amount of the subsidy provided under RCW 41.05.085.

(4) Surviving spouses, surviving state registered domestic

partners, and dependent children of emergency service personnel killed in the line of duty and retired or disabled and separated employees shall be responsible for payment of premium rates developed by the authority which shall include the cost to the authority of providing insurance coverage including any amounts necessary for reserves and administration in accordance with this chapter. These self pay rates will be established based on a separate rate for the employee, the spouse, state registered domestic partners, and the children.

(5) 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. 16. RCW 41.05.085 and 2005 c 195 s 3 are each amended to read as follows:

(1) Beginning with the appropriations act for the 2005-2007 biennium, the legislature shall establish as part of both the state employees' and the school and educational service district employees' insurance benefit allocation the portion of the allocation to be used to provide a prescription drug subsidy to reduce the health care insurance premiums charged to retired or disabled school district and educational service district employees, or retired state employees, who are eligible for parts A and B of medicare. The legislature may also establish a separate health care subsidy to reduce insurance premiums charged to individuals who select a medicare supplemental insurance policy option established in RCW 41.05.195.

(2) The amount of any premium reduction shall be established by the public employees' benefits board. The amount established shall not result in a premium reduction of more than fifty percent, except as provided in subsection (3) of this section. The public employees' benefits board may also determine the amount of any subsidy to be available to spouses and dependents.

(3) The amount of the premium reduction in subsection (2) of this section may exceed fifty percent, if the ~~((administrator))~~ director, in consultation with the office of financial management, determines that it is necessary in order to meet eligibility requirements to participate in the federal employer incentive program as provided in RCW 41.05.068.

Sec. 17. RCW 41.05.140 and 2013 c 251 s 10 are each amended to read as follows:

(1) Except for property and casualty insurance, the authority may self-fund, self-insure, or enter into other methods of providing insurance coverage for insurance programs under its jurisdiction, including the basic health plan as provided in chapter 70.47 RCW. The authority shall contract for payment of claims or other administrative services for programs under its jurisdiction. If a program does not require the prepayment of reserves, the authority shall establish such reserves within a reasonable period of time for the payment of claims as are normally required for that type of insurance under an insured program. The authority shall endeavor to reimburse basic health plan health care providers under this section at rates similar to the average reimbursement rates offered by the statewide benchmark plan determined through the request for proposal process.

(2) Reserves established by the authority for employee and retiree benefit programs shall be held in a separate account in the custody of the state treasurer and shall be known as the public employees' and retirees' insurance reserve fund. The state treasurer may invest the moneys in the reserve fund pursuant to RCW 43.79A.040.

(3) Reserves established by the authority for school employee benefit programs shall be held in a separate account in the custody of the state treasurer and shall be known as the school employees'

benefits board insurance reserve fund. The state treasurer may invest the moneys in the reserve fund pursuant to RCW 43.79A.040.

(4) Any savings realized as a result of a program created for employees or school employees and retirees under this section shall not be used to increase benefits unless such use is authorized by statute.

~~((4))~~ (5) Any program created under this section shall be subject to the examination requirements of chapter 48.03 RCW as if the program were a domestic insurer. In conducting an examination, the commissioner shall determine the adequacy of the reserves established for the program.

~~((5))~~ (6) The authority shall keep full and adequate accounts and records of the assets, obligations, transactions, and affairs of any program created under this section.

~~((6))~~ (7) The authority shall file a quarterly statement of the financial condition, transactions, and affairs of any program created under this section in a form and manner prescribed by the insurance commissioner. The statement shall contain information as required by the commissioner for the type of insurance being offered under the program. A copy of the annual statement shall be filed with the speaker of the house of representatives and the president of the senate.

~~((7))~~ (8) The provisions of this section do not apply to the administration of chapter 74.09 RCW.

Sec. 18. RCW 41.05.225 and 2002 c 71 s 1 are each amended to read as follows:

(1) The public employees' benefits board shall offer a plan of health insurance to blind licensees who are actively operating facilities and participating in the business enterprises program established in RCW 74.18.200 through 74.18.230, and maintained by the department of services for the blind. The plan of health insurance benefits must be the same or substantially similar to the plan of health insurance benefits offered to state employees under this chapter. Enrollment will be at the option of each individual licensee or vendor, under rules established by the public employees' benefits board.

(2) All costs incurred by the state or the public employees' benefits board for providing health insurance coverage to active blind vendors, excluding family participation, under subsection (1) of this section may be paid for from net proceeds from vending machine operations in public buildings under RCW 74.18.230.

(3) Money from the business enterprises program under the federal Randolph-Sheppard Act may not be used for family participation in the health insurance benefits provided under this section. Family insurance benefits are the sole responsibility of the individual blind vendors.

Sec. 19. RCW 41.05.300 and 2008 c 229 s 3 are each amended to read as follows:

(1) The state of Washington may enter into salary reduction agreements with employees and school employees ~~((of the state))~~ pursuant to the internal revenue code, for the purpose of making it possible for employees and school employees ~~((of the state))~~ to select on a "before-tax basis" certain taxable and nontaxable benefits. The purpose of the salary reduction plan established in this chapter is to attract and retain individuals in governmental service by permitting them to enter into agreements with the state to provide for benefits pursuant to 26 U.S.C. Sec. 125, 26 U.S.C. Sec. 129, and other applicable sections of the internal revenue code.

(2) Nothing in the salary reduction plan constitutes an employment agreement between the participant and the state, and nothing contained in the participant's salary reduction agreement, the plan, this section, or RCW 41.05.123, 41.05.310 through

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

41.05.360, and 41.05.295 gives a participant any right to be retained in state employment.

Sec. 20. RCW 41.05.320 and 2008 c 229 s 5 are each amended to read as follows:

(1) Elected officials and permanent employees and school employees (~~(of the state)~~) are eligible to participate in the salary reduction plan and reduce their salary by agreement with the authority. The authority may adopt rules to: (a) Limit the participation of employing agencies and their employees in the plan; and (b) permit participation in the plan by temporary employees and school employees (~~(of the state)~~).

(2) Persons eligible under subsection (1) of this section may enter into salary reduction agreements with the state.

(3)(a) An eligible person may become a participant of the salary reduction plan for a full plan year with annual benefit plan selection for each new plan year made before the beginning of the plan year, as determined by the authority, or upon becoming eligible.

(b) Once an eligible person elects to participate in the salary reduction plan and determines the amount his or her gross salary shall be reduced and the benefit plan for which the funds are to be used during the plan year, the agreement shall be irrevocable and may not be amended during the plan year except as provided in (c) of this subsection. Prior to making an election to participate in the salary reduction plan, the eligible person shall be informed in writing of all the benefits and reductions that will occur as a result of such election.

(c) The authority shall provide in the salary reduction plan that a participant may enroll, terminate, or change his or her election after the plan year has begun if there is a significant change in a participant's status, as provided by 26 U.S.C. Sec. 125 and the regulations adopted under that section and defined by the authority.

(4) The authority shall establish as part of the salary reduction plan the procedures for and effect of withdrawal from the plan by reason of retirement, death, leave of absence, or termination of employment. To the extent possible under federal law, the authority shall protect participants from forfeiture of rights under the plan.

(5) Any reduction of salary under the salary reduction plan shall not reduce the reportable compensation for the purpose of computing the state retirement and pension benefits earned by the employee or school employee pursuant to chapters 41.26, 41.32, 41.35, 41.37, 41.40, and 43.43 RCW.

Sec. 21. RCW 41.04.205 and 2016 c 67 s 1 are each amended 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 or self-insurance program for employees administered under chapter 41.05 RCW if the legislative authority of any such county, municipality, or other political subdivisions of this state determines, subject to collective bargaining under applicable statutes, a transfer to an insurance or self-insurance program administered under chapter 41.05 RCW should be made. 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 June 25, 1976 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

health care authority shall:

(a) Establish the conditions for participation; and

(b) Have the sole right to reject the application, except a group application from a county or other political subdivision of the state with fewer than five thousand employees must be approved.

Approval of the application by the state health care authority shall effect a transfer of the employees involved to the insurance, self-insurance, or health care program applied for.

(3) Any application of this section to members of the law enforcement officers' and firefighters' retirement system under chapter 41.26 RCW is subject to chapter 41.56 RCW.

(4) Until December 31, 2019, school districts may voluntarily transfer to the public employees' benefits board, except that all eligible employees in a bargaining unit of a school district may transfer only as a unit and all nonrepresented employees in a district may transfer only as a unit.

Sec. 22. RCW 28A.400.275 and 2017 3rd sp.s. c 13 s 814 and 2017 3rd sp.s. c 7 s 1 are each reenacted and amended to read as follows:

(1) Any contract or agreement for employee benefits executed after April 13, 1990, between a school district or educational service district and a benefit provider or employee bargaining unit is null and void unless it contains an agreement to abide by state laws relating to school district and educational service district employee benefits. The term of the contract or agreement may not exceed one year, except that the final contract or agreement entered into for the 2018-19 school year must exceed one year only by the months necessary to ensure employee benefits are maintained through December 31, 2019.

(2) (~~Through December 31, 2019, school districts and their benefit providers shall annually submit, by a date determined by the office of the insurance commissioner, the following information and data for the prior calendar year to the office of the insurance commissioner:~~

~~(a) Progress by the district and its benefit providers toward greater affordability for full family coverage, health care cost savings, and significantly reduced administrative costs;~~

~~(b) Compliance with the requirement to provide a high deductible health plan option with a health savings account;~~

~~(c) An overall plan summary including the following:~~

~~(i) The financial plan structure and overall performance of each health plan including:~~

~~(A) Total premium expenses;~~

~~(B) Total claims expenses;~~

~~(C) Claims reserves; and~~

~~(D) Plan administration expenses, including compensation paid to brokers;~~

~~(ii) A description of the plan's use of innovative health plan features designed to reduce health benefit premium growth and reduce utilization of unnecessary health services including but not limited to the use of enrollee health assessments or health coach services, care management for high cost or high risk enrollees, medical or health home payment mechanisms, and plan features designed to create incentives for improved personal health behaviors;~~

~~(iii) Data to provide an understanding of employee health benefit plan coverage and costs, including: The total number of employees and, for each employee, the employee's full-time equivalent status, types of coverage or benefits received including numbers of covered dependents, the number of eligible dependents, the amount of the district's contribution to premium, additional premium costs paid by the employee through payroll deductions, and the age and sex of the employee and each dependent;~~

~~(iv) Data necessary for school districts to more effectively and~~

~~competitively manage and procure health insurance plans for employees. The data must include, but not be limited to, the following:~~

~~(A) A summary of the benefit packages offered to each group of district employees, including covered benefits, employee deductibles, coinsurance, and copayments, and the number of employees and their dependents in each benefit package;~~

~~(B) Aggregated employee and dependent demographic information, including age band and gender, by insurance tier and by benefit package;~~

~~(C) Total claim payments by benefit package, including premiums paid, inpatient facility claims paid, outpatient facility claims paid, physician claims paid, pharmacy claims paid, capitation amounts paid, and other claims paid;~~

~~(D) Total premiums paid by benefit package;~~

~~(E) A listing of large claims defined as annual amounts paid in excess of one hundred thousand dollars including the amount paid, the member enrollment status, and the primary diagnosis;~~

~~(F) After December 31, 2018, school districts shall submit such data as required by the school employees' benefits board to administer the consolidated purchasing of health services.~~

~~(3) Through December 31, 2018, school districts and their benefit providers shall jointly report to the office of the insurance commissioner on their health insurance related efforts and achievements to:~~

~~(a) Significantly reduce administrative costs for school districts;~~

~~(b) Improve customer service;~~

~~(c) Reduce differential plan premium rates between employee only and family health benefit premiums;~~

~~(d) Protect access to coverage for part-time K-12 employees.~~

~~(4) The information and data shall be submitted in a format and according to a schedule established by the office of the insurance commissioner under RCW 48.02.210 to enable the commissioner to meet the reporting obligations under that section.~~

~~(5) Through December 31, 2018,)) School districts, educational service districts, and their benefit providers shall submit data to the health care authority in accordance with RCW 41.05.075(3).~~

~~(3) Any benefit provider offering a benefit plan by contract or agreement with a school district or educational service district under subsection (1) of this section shall make available to the school district or educational service district the benefit plan descriptions and, where available, the demographic information on plan subscribers that the school district, educational service district, and benefit provider are required to report to the ~~((office of the insurance commissioner))~~ health care authority under this section. ~~((After December 31, 2018, a benefit provider shall submit such data to the school employees' benefits board.~~~~

~~(6)) (4) Each school district and educational service district shall:~~

~~(a) Carry out all actions required by the school employees' benefits board and the health care authority under chapter 41.05 RCW including, but not limited to, those necessary for the operation of benefit plans, education of employees, claims administration, and appeals process; and~~

~~(b) Report all data relating to employees eligible to participate in benefits or plans administered by the school employees' benefits board and the health care authority in a format designed and communicated by the school employees' benefits board and the health care authority.~~

Sec. 23. RCW 28A.400.350 and 2017 3rd sp.s. c 13 s 816 are each amended to read as follows:

(1) The board of directors of any of the state's school districts or educational service districts may make available medical, dental, vision, liability, life, accident, disability, and salary

protection or insurance, direct agreements as defined in chapter 48.150 RCW, or any one of, or a combination of the types of employee benefits enumerated in this subsection, or any other type of insurance or protection, for the members of the boards of directors, the students, and employees of the school district or educational service district, and their dependents. Except as provided in subsection (6) of this section, such coverage may be provided by contracts or agreements with private carriers, with the state health care authority, or through self-insurance or self-funding pursuant to chapter 48.62 RCW, or in any other manner authorized by law. Any direct agreement must comply with RCW 48.150.050.

(2)(a) Whenever funds are available for these purposes the board of directors of the school district or educational service district may contribute all or a part of the cost of such protection or insurance for the employees of their respective school districts or educational service districts and their dependents. The premiums on such liability insurance shall be borne by the school district or educational service district.

(b) After October 1, 1990, school districts may not contribute to any employee protection or insurance other than liability insurance unless the district's employee benefit plan conforms to RCW 28A.400.275 and 28A.400.280.

(c) After December 31, 2019, school district contributions to any employee insurance that is purchased through the health care authority must conform to the requirements established by chapter 41.05 RCW and the school employees' benefits board.

(3) For school board members, educational service district board members, and students, the premiums due on such protection or insurance shall be borne by the assenting school board member, educational service district board member, or student. The school district or educational service district may contribute all or part of the costs, including the premiums, of life, health, health care, accident or disability insurance which shall be offered to all students participating in interschool activities on the behalf of or as representative of their school, school district, or educational service district. The school district board of directors and the educational service district board may require any student participating in extracurricular interschool activities to, as a condition of participation, document evidence of insurance or purchase insurance that will provide adequate coverage, as determined by the school district board of directors or the educational service district board, for medical expenses incurred as a result of injury sustained while participating in the extracurricular activity. In establishing such a requirement, the district shall adopt regulations for waiving or reducing the premiums of such coverage as may be offered through the school district or educational service district to students participating in extracurricular activities, for those students whose families, by reason of their low income, would have difficulty paying the entire amount of such insurance premiums. The district board shall adopt regulations for waiving or reducing the insurance coverage requirements for low-income students in order to assure such students are not prohibited from participating in extracurricular interschool activities.

(4) All contracts or agreements for insurance or protection written to take advantage of the provisions of this section shall provide that the beneficiaries of such contracts may utilize on an equal participation basis the services of those practitioners licensed pursuant to chapters 18.22, 18.25, 18.53, 18.57, and 18.71 RCW.

(5)(a) Until the creation of the school employees' benefits board under RCW 41.05.740, school districts offering medical, vision, and dental benefits shall:

(i) Offer a high deductible health plan option with a health savings account that conforms to section 223, part VII of

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

subchapter 1 of the internal revenue code of 1986. School districts shall comply with all applicable federal standards related to the establishment of health savings accounts;

(ii) Make progress toward employee premiums that are established to ensure that full family coverage premiums are not more than three times the premiums for employees purchasing single coverage for the same coverage plan, unless a subsequent premium differential target is defined as a result of the review and subsequent actions described in RCW 41.05.655;

(iii) Offer employees at least one health benefit plan that is not a high deductible health plan offered in conjunction with a health savings account in which the employee share of the premium cost for a full-time employee, regardless of whether the employee chooses employee-only coverage or coverage that includes dependents, does not exceed the share of premium cost paid by state employees during the state employee benefits year that started immediately prior to the school year.

(b) All contracts or agreements for employee benefits must be held to responsible contracting standards, meaning a fair, prudent, and accountable competitive procedure for procuring services that includes an open competitive process, except where an open process would compromise cost-effective purchasing, with documentation justifying the approach.

(c) School districts offering medical, vision, and dental benefits shall also make progress on promoting health care innovations and cost savings and significantly reduce administrative costs.

(d) All contracts or agreements for insurance or protection described in this section shall be in compliance with chapter 3, Laws of 2012 2nd sp. sess.

~~((e) Upon notification from the office of the insurance commissioner of a school district's substantial noncompliance with the data reporting requirements of RCW 28A.400.275, and the failure is due to the action or inaction of the school district, and if the noncompliance has occurred for two reporting periods, the superintendent is authorized and required to limit the school district's authority provided in subsection (1) of this section regarding employee health benefits to the provision of health benefit coverage provided by the state health care authority.))~~

(6) The authority to make available basic and optional benefits to school employees under this section expires December 31, 2019. Beginning January 1, 2020, school districts and educational service districts shall make available basic and optional benefits through plans offered by the health care authority and the school employees' benefits board.

NEW SECTION. Sec. 24. A new section is added to chapter 28A.710 RCW to read as follows:

(1) A function of the school employees' benefits board established under RCW 41.05.740 is to design and approve insurance benefit plans and to establish eligibility criteria for participation in insurance benefit plans by January 1, 2020. In order for the school employees' benefits board to develop these benefit plans, charter school employees' information must be provided to the school employees' benefits board and the health care authority.

(2) Charter schools and their benefit providers must submit data to the health care authority in accordance with RCW 41.05.075(3).

(3) Any benefit provider offering a benefit plan by contract or agreement with a charter school must make available to the charter school the benefit plan descriptions and, where available, the demographic information on plan subscribers that the charter school and benefit providers are required to report to the health care authority under this section.

(4) Each charter school must:

(a) Carry out all actions required by the school employees'

benefits board and the health care authority under chapter 41.05 RCW including, but not limited to, those actions necessary for the operation of benefit plans, education of employees, claims administration, and appeals process; and

(b) Report all data relating to employees eligible to participate in benefits or plans administered by the school employees' benefits board and the health care authority in a format designed and communicated by the school employees' benefits board and the health care authority.

Sec. 25. RCW 41.05.120 and 2017 3rd sp.s. c 13 s 809 are each amended to read as follows:

(1) The public employees' and retirees' insurance account is hereby established in the custody of the state treasurer, to be used by the director for the deposit of contributions, the remittance paid by school districts and educational service districts under RCW 28A.400.410, reserves, dividends, and refunds, for payment of premiums and claims for employee and retiree insurance benefit contracts and subsidy amounts provided under RCW 41.05.085, and transfers from the flexible spending administrative account as authorized in RCW 41.05.123. Moneys from the account shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the director. Moneys from the account may be transferred to the flexible spending administrative account to provide reserves and start-up costs for the operation of the flexible spending administrative account program.

(2) The state treasurer and the state investment board may invest moneys in the public employees' and retirees' insurance account. All such investments shall be in accordance with RCW 43.84.080 or 43.84.150, whichever is applicable. The director shall determine whether the state treasurer or the state investment board or both shall invest moneys in the public employees' and retirees' insurance account.

(3) The school employees' insurance account is hereby established in the custody of the state treasurer, to be used by the director for the deposit of contributions, reserves, dividends, and refunds, for payment of premiums and claims for school employee insurance benefit contracts, and for transfers from the school employees' benefits board flexible spending and dependent care administrative account as authorized in this subsection. Moneys from the account shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the director. Moneys from the account may be transferred to the school employees' benefits board flexible spending and dependent care administrative account to provide reserves and start-up costs for the operation of the school employees' benefits board flexible spending arrangement and dependent care assistance program.

(4) The state treasurer and the state investment board may invest moneys in the school employees' insurance account. These investments must be in accordance with RCW 43.84.080 or 43.84.150, whichever is applicable. The director shall determine whether the state treasurer or the state investment board or both shall invest moneys in the school employees' insurance account.

Sec. 26. RCW 41.05.123 and 2008 c 229 s 6 are each amended to read as follows:

(1) For the public employees' benefits board program, the flexible spending administrative account is created in the custody of the state treasurer.

(a) All receipts from the following must be deposited in the account:

~~((a))) (i) Revenues from employing agencies for costs associated with operating the medical flexible spending arrangement program and the dependent care assistance program~~

provided through the salary reduction plan authorized under this chapter; and

~~((b) funds transferred from the dependent care administrative account; and~~

~~((e))~~ (ii) Unclaimed moneys at the end of the plan year after all timely submitted claims for that plan year have been processed. Expenditures from the account may be used only for administrative and other expenses related to operating the medical flexible spending arrangement program and the dependent care assistance program provided through the salary reduction plan authorized under this chapter. Only the ((administrator)) director or the ((administrator's)) 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))~~ (b) The salary reduction account is established in the state treasury. Employee salary reductions paid to reimburse participants or service providers for benefits provided by the medical flexible spending arrangement program and the dependent care assistance program provided through the salary reduction plan authorized under this chapter shall be paid from the salary reduction account. The funds held by the state to pay for benefits provided by the medical flexible spending arrangement program and the dependent care assistance program provided through the salary reduction plan authorized under this chapter shall be deposited in the salary reduction account. Unclaimed moneys remaining in the salary reduction account at the end of a plan year after all timely submitted claims for that plan year have been processed shall become a part of the flexible spending administrative account. Only the ((administrator)) director or the ((administrator's)) director's designee may authorize expenditures from the account. The account is not subject to allotment procedures under chapter 43.88 RCW and an appropriation is not required for expenditures.

~~((3))~~ (c) Program claims reserves and money necessary for start-up costs transferred from the public employees' and retirees' insurance account established in RCW 41.05.120 may be deposited in the flexible spending administrative account. Moneys in excess of the amount necessary for administrative and operating expenses of the medical flexible spending arrangement program may be transferred to the public employees' and retirees' insurance account.

~~((4))~~ (d) The authority may periodically bill employing agencies for costs associated with operating the medical flexible spending arrangement program and the dependent care assistance program provided through the salary reduction plan authorized under this chapter.

(2) For the school employees' benefits board program, the school employees' benefits board flexible spending and dependent care administrative account is created in the custody of the state treasurer.

(a) All receipts from the following must be deposited in the account:

(i) Revenues from school employees' benefits board organizations for costs associated with operating the school employees' benefits board medical flexible spending arrangement program and the school employees' benefits board dependent care assistance program provided through the salary reduction plan authorized under this chapter; and

(ii) Unclaimed moneys at the end of the plan year after all timely submitted claims for that plan year have been processed. Expenditures from the account may be used only for administrative and other expenses related to operating the school employees' benefits board medical flexible spending arrangement program and the school employees' benefits board dependent care assistance program provided through the salary reduction plan

authorized under this chapter. Only the director 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.

(b) The school employees' benefits board salary reduction account is established in the state treasury. School employee salary reductions paid to reimburse participants or service providers for benefits provided by the school employees' benefits board medical flexible spending arrangement program and the school employees' benefits board dependent care assistance program provided through the salary reduction plan authorized under this chapter shall be paid from the school employees' benefits board salary reduction account. The funds held by the state to pay for benefits provided by the school employees' benefits board medical flexible spending arrangement program and the school employees' benefits board dependent care assistance program provided through the salary reduction plan authorized under this chapter shall be deposited in the school employees' benefits board salary reduction account. Unclaimed moneys remaining in the school employees' benefits board salary reduction account at the end of a plan year after all timely submitted claims for that plan year have been processed shall become a part of the school employees' benefits board flexible spending and dependent care administrative account. Only the director or the director's designee may authorize expenditures from the account. The account is not subject to allotment procedures under chapter 43.88 RCW and an appropriation is not required for expenditures.

(c) Program claims reserves and money necessary for start-up costs transferred from the school employees' insurance account established in RCW 41.05.120 may be deposited in the school employees' benefits board flexible spending and dependent care administrative account. Moneys in excess of the amount necessary for administrative and operating expenses of the school employees' benefits board medical flexible spending arrangement and the school employees' benefits board dependent care assistance program may be transferred to the school employees' insurance account.

(d) The authority may periodically bill school employees' benefits board organizations for costs associated with operating the school employees' benefits board medical flexible spending arrangement program and the school employees' benefits board dependent care assistance program provided through the salary reduction plan authorized under this chapter.

Sec. 27. RCW 41.05.143 and 2017 3rd sp.s. c 13 s 811 are each amended to read as follows:

(1) The uniform medical plan benefits administration account is created in the custody of the state treasurer. Only the director or the director's designee may authorize expenditures from the account. Moneys in the account shall be used exclusively for contracted expenditures for uniform medical plan claims administration, data analysis, utilization management, preferred provider administration, and activities related to benefits administration where the level of services provided pursuant to a contract fluctuate as a direct result of changes in uniform medical plan enrollment. Moneys in the account may also be used for administrative activities required to respond to new and unforeseen conditions that impact the uniform medical plan, but only when the authority and the office of financial management jointly agree that such activities must be initiated prior to the next legislative session.

(2) Receipts from amounts due from or on behalf of uniform medical plan enrollees for expenditures related to benefits administration, including moneys disbursed from the public employees' and retirees' insurance account, shall be deposited into

the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures. All proposals for allotment increases shall be provided to the house of representatives appropriations committee and to the senate ways and means committee at the same time as they are provided to the office of financial management.

(3) The uniform dental plan benefits administration account is created in the custody of the state treasurer. Only the director or the director's designee may authorize expenditures from the account. Moneys in the account shall be used exclusively for contracted expenditures related to benefits administration for the uniform dental plan as established under RCW 41.05.140. Receipts from amounts due from or on behalf of uniform dental plan enrollees for expenditures related to benefits administration, including moneys disbursed from the public employees' and retirees' insurance account, shall be deposited into the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

(4) The public employees' benefits board medical benefits administration account is created in the custody of the state treasurer. Only the director or the director's designee may authorize expenditures from the account. Moneys in the account shall be used exclusively for contracted expenditures related to claims administration, data analysis, utilization management, preferred provider administration, and other activities related to benefits administration for self-insured medical plans (~~(other than the uniform medical plan)~~). Receipts from amounts due from or on behalf of enrollees for expenditures related to benefits administration, including moneys disbursed from the public employees' and retirees' insurance account, shall be deposited into the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(5) The school employees' benefits board medical benefits (~~administration~~) administrative account is created in the custody of the state treasurer. Only the director or the director's designee may authorize expenditures from the account. Moneys in the account shall be used exclusively for school employees' benefits board contracted expenditures related to claims administration, data analysis, utilization management, preferred provider administration, and other activities related to benefits administration for self-insured medical plans (~~(other than the uniform medical plan)~~). Receipts from amounts due from or on behalf of enrollees for expenditures related to benefits administration, including moneys disbursed from the school employees' insurance account, shall be deposited into the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

(6) The school employees' benefits board dental benefits administration account is created in the custody of the state treasurer. Only the director or the director's designee may authorize expenditures from the account. Moneys in the account shall be used exclusively for school employees' benefits board contracted expenditures related to benefits administration for the self-insured dental plan as established under RCW 41.05.140. Receipts from amounts due from or on behalf of the self-insured dental plan enrollees for expenditures related to benefits administration, including moneys disbursed from the school employees' insurance account, shall be deposited into the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

Sec. 28. RCW 43.79A.040 and 2017 3rd sp.s. c 5 s 89 are each amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited,

invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

(2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.

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

(4)(a) Monthly, the state treasurer must distribute the earnings credited to the investment income account to the state general fund except under (b), (c), and (d) of this subsection.

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Gina Grant Bull memorial legislative page scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family and medical leave insurance account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low-income home rehabilitation revolving loan program account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state heritage center account, the reduced cigarette ignition propensity account, the center for childhood deafness and hearing loss account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, the school employees'

benefits board insurance reserve fund, public employees' and retirees' insurance account, school employees' insurance account, and the radiation perpetual maintenance fund.

(c) The following accounts and funds must receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right-of-way revolving fund, the advanced environmental mitigation revolving account, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer 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 trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 29. RCW 28A.400.280 and 2017 3rd sp.s. c 13 s 815 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, school districts may provide employer fringe benefit contributions after October 1, 1990, only for basic benefits. However, school districts may continue payments under contracts with employees or benefit providers in effect on April 13, 1990, until the contract expires.

(2) School districts may provide employer contributions after October 1, 1990, ~~((and until December 31, 2019;))~~ for optional benefit plans, in addition to basic benefits. Beginning January 1, 2020, school district optional benefits must be outside the school employees' benefits board's authority in RCW 41.05.740(6). Beginning December 1, 2019, and each December 1st thereafter, school district optional benefits must be reported to the school employees' benefits board and health care authority. The school employees' benefits board shall review the optional benefits offered by districts and: (a) Determine if the optional benefits conflict with school employees' benefits board's plans offering authority and, if not, (b) evaluate whether to seek additional benefit offerings authority from the legislature. Optional benefits may include direct agreements as defined in chapter 48.150 RCW, and may include employee beneficiary accounts that can be liquidated by the employee on termination of employment. Optional benefit plans may be offered only if:

(a) Each full-time employee, regardless of the number of dependents receiving basic coverage, receives the same additional employer contribution for other coverage or optional benefits; and

(b) For part-time employees, participation in optional benefit plans shall be governed by the same eligibility criteria and/or proration of employer contributions used for allocations for basic benefits.

(3) School districts are not intended to divert state basic benefit allocations for other purposes ~~((and)).~~ Beginning January 1, 2020, ((no basic or optional benefits may be provided by employer contributions if they are not provided)) school districts must offer all benefits offered by the school employees' benefits board administered by the health care authority, and consistent with RCW 41.56.500(2).

(4) Any optional benefits offered by a school district under subsection (2) of this section are considered an enhancement to the state's definition of basic education.

Sec. 30. RCW 41.05.700 and 2017 c 219 s 2 are each

amended to read as follows:

(1) A health plan offered to employees, school employees, and their covered dependents under this chapter issued or renewed on or after January 1, 2017, shall reimburse a provider for a health care service provided to a covered person through telemedicine or store and forward technology if:

(a) The plan provides coverage of the health care service when provided in person by the provider;

(b) The health care service is medically necessary;

(c) The health care service is a service recognized as an essential health benefit under section 1302(b) of the federal patient protection and affordable care act in effect on January 1, 2015; and

(d) The health care service is determined to be safely and effectively provided through telemedicine or store and forward technology according to generally accepted health care practices and standards, and the technology used to provide the health care service meets the standards required by state and federal laws governing the privacy and security of protected health information.

(2)(a) If the service is provided through store and forward technology there must be an associated office visit between the covered person and the referring health care provider. Nothing in this section prohibits the use of telemedicine for the associated office visit.

(b) For purposes of this section, reimbursement of store and forward technology is available only for those covered services specified in the negotiated agreement between the health plan and health care provider.

(3) An originating site for a telemedicine health care service subject to subsection (1) of this section includes a:

(a) Hospital;

(b) Rural health clinic;

(c) Federally qualified health center;

(d) Physician's or other health care provider's office;

(e) Community mental health center;

(f) Skilled nursing facility;

(g) Home or any location determined by the individual receiving the service; or

(h) Renal dialysis center, except an independent renal dialysis center.

(4) Except for subsection (3)(g) of this section, any originating site under subsection (3) of this section may charge a facility fee for infrastructure and preparation of the patient. Reimbursement must be subject to a negotiated agreement between the originating site and the health plan. A distant site or any other site not identified in subsection (3) of this section may not charge a facility fee.

(5) The plan may not distinguish between originating sites that are rural and urban in providing the coverage required in subsection (1) of this section.

(6) The plan may subject coverage of a telemedicine or store and forward technology health service under subsection (1) of this section to all terms and conditions of the plan including, but not limited to, utilization review, prior authorization, deductible, copayment, or coinsurance requirements that are applicable to coverage of a comparable health care service provided in person.

(7) This section does not require the plan to reimburse:

(a) An originating site for professional fees;

(b) A provider for a health care service that is not a covered benefit under the plan; or

(c) An originating site or health care provider when the site or provider is not a contracted provider under the plan.

(8) For purposes of this section:

(a) "Distant site" means the site at which a physician or other licensed provider, delivering a professional service, is physically

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

located at the time the service is provided through telemedicine;

(b) "Health care service" has the same meaning as in RCW 48.43.005;

(c) "Hospital" means a facility licensed under chapter 70.41, 71.12, or 72.23 RCW;

(d) "Originating site" means the physical location of a patient receiving health care services through telemedicine;

(e) "Provider" has the same meaning as in RCW 48.43.005;

(f) "Store and forward technology" means use of an asynchronous transmission of a covered person's medical information from an originating site to the health care provider at a distant site which results in medical diagnosis and management of the covered person, and does not include the use of audio-only telephone, facsimile, or email; and

(g) "Telemedicine" means the delivery of health care services through the use of interactive audio and video technology, permitting real-time communication between the patient at the originating site and the provider, for the purpose of diagnosis, consultation, or treatment. For purposes of this section only, "telemedicine" does not include the use of audio-only telephone, facsimile, or email.

NEW SECTION. Sec. 31. A new section is added to chapter 41.05 RCW to read as follows:

(1) All health care and financial related data as required by section 4, chapter 3, Laws of 2012 2nd sp. sess. that was sent by school districts and their benefits providers to the office of the insurance commissioner for plan years ending in 2012 through 2016 for the purposes of studying health benefits provided to school employees must be provided to the authority by March 15, 2018.

(2) All claims data, including health care and financial related data received by the authority under subsection (1) of this section, is the property of the state and is exempt from disclosure and not subject to chapter 42.56 RCW.

Sec. 32. RCW 42.56.400 and 2017 3rd sp.s. c 30 s 2 and 2017 c 193 s 2 are each reenacted and amended to read as follows:

The following information relating to insurance and financial institutions is exempt from disclosure under this chapter:

(1) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110;

(2) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state purchased health care program by the authority, or transferred by the authority to a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW;

(3) The names and individual identification data of either all owners or all insureds, or both, received by the insurance commissioner under chapter 48.102 RCW;

(4) Information provided under RCW 48.30A.045 through 48.30A.060;

(5) Information provided under RCW 48.05.510 through 48.05.535, 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600 through 48.46.625;

(6) Examination reports and information obtained by the department of financial institutions from banks under RCW 30A.04.075, from savings banks under RCW 32.04.220, from savings and loan associations under RCW 33.04.110, from credit unions under RCW 31.12.565, from check cashers and sellers under RCW 31.45.030(3), and from securities brokers and investment advisers under RCW 21.20.100, all of which is confidential and privileged information;

(7) Information provided to the insurance commissioner under RCW 48.110.040(3);

(8) Documents, materials, or information obtained by the insurance commissioner under RCW 48.02.065, all of which are confidential and privileged;

(9) Documents, materials, or information obtained by the insurance commissioner under RCW 48.31B.015(2) (l) and (m), 48.31B.025, 48.31B.030, and 48.31B.035, all of which are confidential and privileged;

(10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and 7.70.140 that, alone or in combination with any other data, may reveal the identity of a claimant, health care provider, health care facility, insuring entity, or self-insurer involved in a particular claim or a collection of claims. For the purposes of this subsection:

(a) "Claimant" has the same meaning as in RCW 48.140.010(2).

(b) "Health care facility" has the same meaning as in RCW 48.140.010(6).

(c) "Health care provider" has the same meaning as in RCW 48.140.010(7).

(d) "Insuring entity" has the same meaning as in RCW 48.140.010(8).

(e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);

(11) Documents, materials, or information obtained by the insurance commissioner under RCW 48.135.060;

(12) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.060;

(13) Confidential and privileged documents obtained or produced by the insurance commissioner and identified in RCW 48.37.080;

(14) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.140;

(15) Documents, materials, or information obtained by the insurance commissioner under RCW 48.17.595;

(16) Documents, materials, or information obtained by the insurance commissioner under RCW 48.102.051(1) and 48.102.140 (3) and (7)(a)(ii);

(17) Documents, materials, or information obtained by the insurance commissioner in the commissioner's capacity as receiver under RCW 48.31.025 and 48.99.017, which are records under the jurisdiction and control of the receivership court. The commissioner is not required to search for, log, produce, or otherwise comply with the public records act for any records that the commissioner obtains under chapters 48.31 and 48.99 RCW in the commissioner's capacity as a receiver, except as directed by the receivership court;

(18) Documents, materials, or information obtained by the insurance commissioner under RCW 48.13.151;

(19) Data, information, and documents provided by a carrier pursuant to section 1, chapter 172, Laws of 2010;

(20) Information in a filing of usage-based insurance about the usage-based component of the rate pursuant to RCW 48.19.040(5)(b);

(21) Data, information, and documents, other than those described in RCW 48.02.210(2) as it existed prior to repeal by section 2, chapter 7, Laws of 2017 3rd sp.s., that are submitted to the office of the insurance commissioner by an entity providing health care coverage pursuant to RCW 28A.400.275 as it existed on January 1, 2017, and 48.02.210 as it existed prior to repeal by section 2, chapter 7, Laws of 2017 3rd sp.s.;

(22) Data, information, and documents obtained by the insurance commissioner under RCW 48.29.017;

(23) Information not subject to public inspection or public

disclosure under RCW 48.43.730(5);

(24) Documents, materials, or information obtained by the insurance commissioner under chapter 48.05A RCW;

(25) Documents, materials, or information obtained by the insurance commissioner under RCW 48.74.025, 48.74.028, 48.74.100(6), 48.74.110(2) (b) and (c), and 48.74.120 to the extent such documents, materials, or information independently qualify for exemption from disclosure as documents, materials, or information in possession of the commissioner pursuant to a financial conduct examination and exempt from disclosure under RCW 48.02.065; ~~((and))~~

(26) Nonpublic personal health information obtained by, disclosed to, or in the custody of the insurance commissioner, as provided in RCW 48.02.068; ~~((and))~~

(27) Data, information, and documents obtained by the insurance commissioner under RCW 48.02.230; and

(28) All claims data, including health care and financial related data received under section 31 of this act, received and held by the health care authority.

NEW SECTION. Sec. 33. Sections 14, 22, 23, 31, and 32 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 immediately."

On page 1, line 2 of the title, after "program;" strike the remainder of the title and insert "amending RCW 41.05.740, 41.05.006, 41.05.009, 41.05.011, 41.05.021, 41.05.022, 41.05.023, 41.05.026, 41.05.050, 41.05.055, 41.05.065, 41.05.066, 41.05.075, 41.05.080, 41.05.085, 41.05.140, 41.05.225, 41.05.300, 41.05.320, 41.04.205, 28A.400.350, 41.05.120, 41.05.123, 41.05.143, 43.79A.040, 28A.400.280, and 41.05.700; reenacting and amending RCW 28A.400.275 and 42.56.400; adding new sections to chapter 41.05 RCW; adding a new section to chapter 28A.710 RCW; and declaring an emergency."

MOTION

Senator Conway moved that the following floor amendment no. 524 by Senators Conway, Hasegawa and Saldaña be adopted:

On page 20, line 27 of the amendment, after "coverage." insert "However, school districts and educational service districts may be exempt from the requirement to obtain employee benefits through the school employees' benefits board if the following requirements are met:

(i) Benefits offered are in compliance with all requirements under RCW 41.05.740;

(ii) Benefits offered are of a generally equivalent actuarial value to those benefits offered through the school employees' benefits board;

(iii) Benefits offered are at a generally equivalent cost to those benefits offered through the school employees' benefits board; and

(iv) The school district or educational service district has greater than five thousand eligible employees or is purchasing benefits through a trust, interlocal, or association plan, with greater than ten thousand subscribers."

Senators Conway, Ericksen and Hasegawa spoke in favor of adoption of the amendment to the amendment.

Senators Hobbs, Becker and King spoke against adoption of the amendment to the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 524 by Senators Conway,

Hasegawa and Saldaña on page 20, line 27 to Substitute Senate Bill No. 6241.

The motion by Senator Conway did not carry and floor amendment no. 524 was not adopted by voice vote.

MOTION

Senator Hobbs moved that the following floor amendment no. 624 by Senators Frockt and Hobbs be adopted:

On page 46, beginning on line 23 of the amendment, after "is" strike "established in the state treasury" and insert "((established in the state treasury)) created in the custody of the state treasurer;"

On page 47, line 36 of the amendment, after "is" strike "established in the state treasury" and insert "created in the custody of the state treasurer"

Senator Hobbs spoke in favor of adoption of the amendment to the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 624 by Senators Frockt and Hobbs on page 46, line 23 to Substitute Senate Bill No. 6241.

The motion by Senator Hobbs carried and floor amendment no. 624 was adopted by voice vote.

MOTION

Senator Frockt moved that the following floor amendment no. 605 by Senators Frockt and Hobbs be adopted:

On page 59, after line 5 of the amendment, insert the following:

NEW SECTION. Sec. 33. A new section is added to chapter 28A.400 RCW to read as follows:

The monthly insurance benefit allocated to school districts for state-funded staffing assumptions in the 2019-2021 biennial omnibus appropriations act must be funded at a rate that is no less than the per employee per month funding rate provided to state agencies for state employee benefits.

NEW SECTION. Sec. 34. The legislature intends to review the state-funded staffing assumptions for K-12 benefit allocations to districts for the 2019-2021 biennial omnibus appropriations act and consider assumptions related to the monthly benefit allocated for the proportion of staff, that are anticipated to work six hundred thirty hours or more."

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

On page 59, line 18 of the title amendment, after "RCW;" insert "adding a new section to chapter 28A.400 RCW; creating a new section;"

Senator Frockt spoke in favor of adoption of the amendment to the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 605 by Senators Frockt and Hobbs on page 59, after line 5 to Substitute Senate Bill No. 6241.

The motion by Senator Frockt carried and floor amendment no. 605 was adopted by voice vote.

PERSONAL PRIVILEGE

Senator Braun: "I pressed my button to comment on the last amendment. It was offered as an agreed upon amendment, it was not an agreed upon amendment. I was not able to make a

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

comment before the vote was cast.

Van De Wege, Conway, Keiser, Liias, Frockt, Hasegawa, Hunt, Palumbo and Saldaña

REPLY BY THE PRESIDENT

President Habib: “Let me clarify to members one thing. You still need to stand if you want to speak. And the reason you need to stand if you want to speak is that if there is a problem with the machine or if I don’t notice it, Jeannie Gorrell and Victoria, these guys are up here to look and so is the secretary. So the buttons are there to be helpful to me, not to be helpful to you. So you still need to stand up just like you would normally. The added thing is that you press the button. If you do that I promise you, these two people can see better than I can. They will make sure that you are called on.”

PERSONAL PRIVILEGE

Senator Schoesler: “I renew that point of information. My device does not work either when I tap it so I am standing as well to point out that that was not an agreed upon amendment. Thank you.”

Senator Schoesler spoke against adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of striking floor amendment no. 521 by Senator Hobbs as amended to Substitute Senate Bill No. 6241.

The motion by Senator Hobbs carried and striking floor amendment no. 521 as amended was adopted by voice vote.

MOTIONS

On motion of Senator Hobbs, the rules were suspended, Engrossed Substitute Senate Bill No. 6241 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Hobbs spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 6241.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 6241 and the bill passed the Senate by the following vote: Yeas, 41; Nays, 7; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O’Ban, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman and Zeiger

Voting nay: Senators Braun, Brown, Ericksen, Fortunato, Padden, Short and Wilson

Excused: Senator Baumgartner

ENGROSSED SUBSTITUTE SENATE BILL NO. 6241, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6268, by Senators Ranker, Rolfes, Chase,

Creating the orca protection act.

MOTIONS

On motion of Senator Ranker, Second Substitute Senate Bill No. 6268 was substituted for Senate Bill No. 6268 and the substitute bill was placed on the second reading and read the second time.

MOTION

On motion of Senator Liias, further consideration of Second Substitute Senate Bill No. 6268 was deferred and the bill held its place on the second reading calendar.

SECOND READING

SENATE BILL NO. 5917, by Senators Mullet, Palumbo, Wilson, Frockt, Rolfes and Liias

Requiring a systemwide credit policy regarding international baccalaureate exams.

The measure was read the second time.

MOTION

Senator Mullet moved that the following striking floor amendment no. 571 by Senators Mullet and Palumbo be adopted:

Strike everything after the enacting clause and insert the following:

NEW SECTION. **Sec. 1.** The legislature finds that international baccalaureate and Cambridge international coursework prepares students for postsecondary success and provides opportunities for them to earn college credit or secure placement in advanced courses.

Therefore, the legislature intends to establish a policy for granting as many undergraduate course credits as possible to students who have earned a minimum score of four on standard-level international baccalaureate and a minimum score of E on their Cambridge international exams and clearly communicate credit awarding policies and course equivalencies to students. The goal of the policy is to award course credit in all appropriate instances and maximize the number of college students given college credit for international baccalaureate and Cambridge international exam scores.

NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.10 RCW to read as follows:

(1) The institutions of higher education must establish a coordinated, evidence-based policy for granting as many undergraduate college credits as possible and practical to students who have earned a minimum score of four on standard-level international baccalaureate exams or earned a minimum score of E on Cambridge international exams.

(2) Credit policy regarding all international baccalaureate and Cambridge international exams must be posted on campus web sites effective for the 2018 fall academic term. The institutions of higher education must conduct biennial reviews of their international baccalaureate and Cambridge international credit policy and report noncompliance to the appropriate committees

of the legislature by November 1st of each year, beginning November 1, 2020."

On page 1, line 1 of the title, after "Relating to" strike the remainder of the title and insert "a systemwide credit policy regarding international baccalaureate and Cambridge international exams; adding a new section to chapter 28B.10 RCW; and creating a new section."

The President declared the question before the Senate to be the adoption of striking floor amendment no. 571 by Senators Mullet and Palumbo to Senate Bill No. 5917.

The motion by Senator Mullet carried and striking floor amendment no. 571 was adopted by voice vote.

MOTION

On motion of Senator Mullet, the rules were suspended, Engrossed Senate Bill No. 5917 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Mullet spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5917.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5917 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Baumgartner

ENGROSSED SENATE BILL NO. 5917, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6386, by Senators Warnick, Takko, Rivers, Short, Becker, Hunt, Van De Wege, Schoesler, Braun, Honeyford, Conway, Wagoner and Zeiger

Ensuring the funding of fairs.

MOTION

On motion of Senator Warnick, Second Substitute Senate Bill No. 6386 was substituted for Senate Bill No. 6386 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Billig moved that the following floor amendment no. 661 by Senators Billig and Rolfes be adopted:

On page 2, line 33, after "created in" strike "the custody of" and

insert "~~((the custody of))~~"

On page 2, line 35, after "(2)" insert "The deposit under this subsection to the fair fund may only occur if the legislature authorizes the deposit in the biennial omnibus appropriations act."

On page 3, line 23, after "(6)" insert "Moneys in the account may be spent only after appropriation."

On page 3, beginning on line 24, after "chapter." strike all material through "expenditures." on line 27 and insert "~~((Only the director of agriculture or the director's designee may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.))~~"

Senators Billig and Warnick spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 661 by Senators Billig and Rolfes on page 2, line 33 to Second Substitute Senate Bill No. 6386.

The motion by Senator Billig carried and floor amendment no. 661 was adopted by voice vote.

MOTION

On motion of Senator Warnick, the rules were suspended, Engrossed Second Substitute Senate Bill No. 6386 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Warnick spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 6386.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6386 and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Excused: Senator Baumgartner

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6386, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6531, by Senators Pedersen, Warnick, Carlyle, Rivers, Keiser, Fain, Rolfes, King, Hobbs, Nelson, O'Ban, Zeiger, Billig, Bailey, Darneille, Miloscia, Frockt, Cleveland, Conway, Wellman, Kuderer, Hasegawa, Chase, Hunt, Van De Wege, Takko, Dhingra, Liias, Ranker, Palumbo, McCoy, Saldaña, Wilson, Angel, Wagoner and Short

Regarding the school construction assistance program.

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

MOTIONS

On motion of Senator Pedersen, Substitute Senate Bill No. 6531 was substituted for Senate Bill No. 6531 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Pedersen, the rules were suspended, Substitute Senate Bill No. 6531 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Pedersen and Frockt spoke in favor of passage of the bill.

Senator Honeyford spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6531.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 6531 and the bill passed the Senate by the following vote: Yeas, 40; Nays, 8; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Billig, Braun, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Fain, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Nelson, O'Ban, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Sheldon, Short, Takko, Van De Wege, Walsh, Warnick, Wellman, Wilson and Zeiger

Voting nay: Senators Becker, Brown, Ericksen, Honeyford, Mullet, Padden, Schoesler and Wagoner

Excused: Senator Baumgartner

SUBSTITUTE SENATE BILL NO. 6531, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6124, by Senators Dhingra, Palumbo, Mullet, Frockt, Takko, Darneille, Rolfes, Billig, Cleveland, Kuderer, Wellman, Carlyle, Ranker, Hasegawa, Saldaña, Nelson, Keiser, McCoy, Van De Wege, Chase and O'Ban

Clarifying that court hearings under the involuntary commitment act may be conducted by video.

MOTIONS

On motion of Senator Dhingra, Substitute Senate Bill No. 6124 was substituted for Senate Bill No. 6124 and the substitute bill was placed on the second reading and read the second time.

On motion of Senator Dhingra, the rules were suspended, Substitute Senate Bill No. 6124 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Dhingra and Short spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 6124.

ROLL CALL

The Secretary called the roll on the final passage of Substitute

Senate Bill No. 6124 and the bill passed the Senate by the following vote: Yeas, 46; Nays, 2; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Billig, Braun, Brown, Chase, Cleveland, Conway, Darneille, Dhingra, Ericksen, Fain, Fortunato, Frockt, Hawkins, Hobbs, Honeyford, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Padden, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson and Zeiger

Voting nay: Senators Carlyle and Hasegawa

Excused: Senator Baumgartner

SUBSTITUTE SENATE BILL NO. 6124, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

SECOND READING

SENATE BILL NO. 6052, by Senators Walsh, Carlyle, Kuderer, McCoy, Pedersen, Billig, Dhingra, Cleveland, Liias, Darneille, Keiser, Hunt, Wellman, Chase, Miloscia, Saldaña and Hasegawa

Reducing criminal justice expenses by eliminating the death penalty and instead requiring life imprisonment without possibility of release or parole as the sentence for aggravated first degree murder.

The measure was read the second time.

MOTION

Senator Padden moved that the following floor amendment no. 612 by Senator Padden be adopted:

On page 6, after line 8, insert the following:

"NEW SECTION. **Sec. 3.** The secretary of state shall submit this act to the people for their adoption and ratification, or rejection, at the next general election to be held in this state, in accordance with Article II, section 1 of the state Constitution and the laws adopted to facilitate its operation."

On page 1, line 4 of the title, after "10.95.030;" strike "and"

On page 1, line 7 of the title, after "10.95.200" insert "; and providing for submission of this act to a vote of the people"

Senators Padden, O'Ban and Angel spoke in favor of adoption of the amendment.

Senator Pedersen spoke against adoption of the amendment.

MOTION

Senator O'Ban demanded a roll call vote.

The President declared that at least one-sixth of the Senate joined the demand and the demand was sustained.

The President declared the question before the Senate to be the adoption of the amendment by Senator Padden on page 6, after line 8 to Senate Bill No. 6052.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Padden and the amendment was not adopted by the following vote: Yeas, 24; Nays, 25; Absent, 0; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Braun, Brown, Conway, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, O'Ban, Padden, Rivers, Rolfes, Schoesler, Sheldon, Short, Takko, Wagoner, Warnick, Wilson and Zeiger

Voting nay: Senators Billig, Carlyle, Chase, Cleveland, Darneille, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, Palumbo, Pedersen, Ranker, Saldaña, Van De Wege, Walsh and Wellman

Excused: Senator Baumgartner.

President Habib Voting yea.

MOTION

Senator O'Ban moved that the following striking floor amendment no. 615 by Senator O'Ban be adopted:

Strike everything after the enacting clause and insert the following:

Sec. 1. RCW 10.95.040 and 1981 c 138 s 4 are each amended to read as follows:

(1) If a person is charged with aggravated first degree murder as defined by RCW 10.95.020 and the victim was a law enforcement officer as provided in RCW 10.95.020(1), the prosecuting attorney shall file written notice of a special sentencing proceeding to determine whether or not the death penalty should be imposed when there is reason to believe that there are not sufficient mitigating circumstances to merit leniency.

(2) The notice of special sentencing proceeding shall be filed and served on the defendant or the defendant's attorney within thirty days after the defendant's arraignment upon the charge of aggravated first degree murder unless the court, for good cause shown, extends or reopens the period for filing and service of the notice. Except with the consent of the prosecuting attorney, during the period in which the prosecuting attorney may file the notice of special sentencing proceeding, the defendant may not tender a plea of guilty to the charge of aggravated first degree murder nor may the court accept a plea of guilty to the charge of aggravated first degree murder or any lesser included offense.

(3) If a notice of special sentencing proceeding is not filed and served as provided in this section, the prosecuting attorney may not request the death penalty.

Sec. 2. RCW 10.95.050 and 1981 c 138 s 5 are each amended to read as follows:

(1) If a defendant is adjudicated guilty of aggravated first degree murder and the victim was a law enforcement officer as provided in RCW 10.95.020(1), whether by acceptance of a plea of guilty, by verdict of a jury, or by decision of the trial court sitting without a jury, a special sentencing proceeding shall be held if a notice of special sentencing proceeding was filed and served as provided by RCW 10.95.040. No sort of plea, admission, or agreement may abrogate the requirement that a special sentencing proceeding be held.

(2) A jury shall decide the matters presented in the special sentencing proceeding unless a jury is waived in the discretion of the court and with the consent of the defendant and the prosecuting attorney.

(3) If the defendant's guilt was determined by a jury verdict, the trial court shall reconvene the same jury to hear the special sentencing proceeding. The proceeding shall commence as soon as practicable after completion of the trial at which the defendant's guilt was determined. If, however, unforeseen circumstances make it impracticable to reconvene the same jury to hear the special sentencing proceeding, the trial court may dismiss that

jury and convene a jury pursuant to subsection (4) of this section.

(4) If the defendant's guilt was determined by plea of guilty or by decision of the trial court sitting without a jury, or if a retrial of the special sentencing proceeding is necessary for any reason including but not limited to a mistrial in a previous special sentencing proceeding or as a consequence of a remand from an appellate court, the trial court shall impanel a jury of twelve persons plus whatever alternate jurors the trial court deems necessary. The defense and prosecution shall each be allowed to peremptorily challenge twelve jurors. If there is more than one defendant, each defendant shall be allowed an additional peremptory challenge and the prosecution shall be allowed a like number of additional challenges. If alternate jurors are selected, the defense and prosecution shall each be allowed one peremptory challenge for each alternate juror to be selected and if there is more than one defendant each defendant shall be allowed an additional peremptory challenge for each alternate juror to be selected and the prosecution shall be allowed a like number of additional challenges."

On page 1, line 4 of the title, after "murder" strike the remainder of the title and insert "unless the victim was a law enforcement officer; amending RCW 10.95.040 and 10.95.050; and prescribing penalties."

POINT OF ORDER

Senator Pedersen: "Thank you Mr. President. I will try not to take that much time. I think this is pretty straight forward. The purpose or the object of this bill is to eliminate the death penalty. The purpose of the amendment is to retain the death penalty, albeit for a more limited set of cases. But, for that reason, I believe that it does not meet the scope and object test and that it ought to be set aside. Thank you."

Senator O'Ban: "Thank you Mr. President. The underlying issue is, do we retain or do we eliminate, after how many scores of years, the death penalty. That is the issue before us. The amendment before the body right now, I haven't had a chance to brief it, but if we eliminate the death penalty should we keep it for aggravated first degree murder of law enforcement. Certainly, that is before this body and is not scoped out. It is a question before this body of will it vote to eliminate the death penalty except for victims that happen to be law enforcement officers. I haven't had a chance to make the argument on the merits of that. I won't do that before this body now, but certainly that is well within the scope and I would add Mr. President that this bill came out of Law & Justice. This very amendment was presented before that body, was not ruled out of scope, it should not be done so here today.

President Habib: "Senator O'Ban, would you like to speak to, in your remaining time, the object?"

Senator O'Ban: "The object of the bill, as I understand it, is to eliminate the death penalty and it, I'm looking at the section it refers to a number of statutory provisions which deal with the death penalty. And so this is well within the keeping of that object. And that is it would not eliminate the death penalty for a subset of victims, subset of cases."

RULING BY THE PRESIDENT

President Habib: "In ruling on the points of order raised by Senator Pedersen on the scope and object of Senate Bill 6052, the President finds and rules as follows:

Senate Bill 6052 seeks to entirely eliminate the death penalty

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

from the Revised Code of Washington. Section 1 of the bill strikes all language that provides for the death penalty as a possible sentence for individuals convicted of aggravated first degree murder, and Section 2 repeals the eighteen subsequent provisions that set forth statutory procedures for sentencing a person convicted of aggravated first degree murder to death.

The scope of the bill—the death penalty—is reasonably broad. However, the object of the bill—its aim, purpose, and end goal—is specific and narrow. It is to revise Washington’s sentencing laws to eliminate the death penalty, establishing the sentence for aggravated first degree murder as life in prison without the possibility of parole.

This intent is made clear to the President by the bill’s construction and plain language. The bill erases all references to the death penalty from Washington’s sentencing laws, and clarifies that sentencing for individuals convicted of aggravated first degree murder must be life in prison without the possibility of parole.

The President takes seriously that in crafting the bill, the drafters made the decision to eradicate all legislative language pertaining to the death penalty, and also that the underlying bill exclusively contains provisions concerned with criminal sentencing, not with the elements of any criminal offense.

Therefore, the President finds that the drafter’s clear intent is to enact a sentencing reform, one that would eliminate the death penalty entirely, and mandate life in prison without the possibility of parole as the sole sentence for aggravated first degree murder.

Guided by this reading of the scope and object of the bill, the President makes the following rulings regarding Amendments #615, #616, and #681.

Amendment #615 seeks to amend RCW 10.95.040 to retain the death penalty as a sentencing option for persons who have been convicted of aggravated first degree murder in cases where the victim is a law enforcement officer as provided in RCW 10.95.020(1).

While the President finds that the amendment does fit within the scope of the underlying bill by nature of its pertaining to the death penalty, he notes that its aim is to maintain the availability of the death penalty under a specific condition.

Retaining the death penalty in any form under any circumstance is in direct contradiction with the bill’s object, which is to entirely eliminate the death penalty.

In addition to looking at the object of the underlying bill, the President believes it is instructive to follow senate precedent and look to the object of the amendment, in order to determine whether there exists a conflict between the two.

Aggravated first degree murder is defined in the RCWs as first degree murder that takes place under certain enumerated circumstances. There currently exists no distinction in state law between the first degree murder of a law enforcement officer, and first degree murder under the other enumerated aggravating circumstances. They are all considered aggravated first degree murder.

The amendment seeks to provide that first degree murder under one circumstance would be treated differently than all other aggravated first degree murders for the purpose of sentencing.

In retaining the death penalty for those convicted of murdering a law enforcement officer, the amendment would effectively create a new criminal offense (first degree murder of a law enforcement officer). The underlying bill is a sentencing bill—it is not a bill that concerns itself with the definition of a criminal offense.

This creation of a new criminal offense, which is the object of the amendment before us, thus has no foundation in the

underlying bill—which is concerned solely with the sentencing available for the existing criminal offense of aggravated first degree murder—and therefore violates any reasonable reading of its object.

Were it so inclined, the legislature could separately establish a new criminal offense, first degree murder of a law enforcement officer, as well as available sentencing options for that offense, but to do so in the form of amendatory language to SB 6052 would change the object of the bill. The amendment is therefore out of order and Senator Pedersen’s point is well-taken.”

POINT OF ORDER

Senator Fain: “Thank you Mr. President, pursuant to Rule 32 it is empowered members of the chamber to overrule a decision of the President and I am not going to do that at this particular time but I do think Mr. President that it is incumbent upon me to point out that I believe that that ruling may create some problems for us in the future. For instance, if a piece of legislation was offered that eliminated the speed limit on a particular highway and an amendment was adopted or proposed in this chamber that said we are going to set the speed limit at 70 miles per hour that with your ruling you have set a precedence that that would no longer be within the scope or object of the bill, or in your case the object of the bill. I am very concerned that that has grossly limited the ability to amend legislation on the floor of the Senate. And so I wanted to make those points out loud. I wanted to make sure the entire chamber was aware of the type of precedence that this setting here today because I do believe it will substantially change the nature of this body. Thank you Mr. President.”

REPLY BY THE PRESIDENT

President Habib: “Senator Fain, I will briefly address that. I know we are up against a deadline, but I will briefly address your remarks simply to say that I think legislators should take very seriously any bill which has as its object something in totality. Such as eliminating the speed limit. Of course, if that were the object of the bill, one would question whether that bill would be successful on final passage. And I think we would all agree that it would likely fail. If it were, if it were extreme in its totality or, but that does not mean that there are not bills whose purpose of object is to be extreme and the President finds that in this case the object of this bill is to have a total elimination of the death penalty. And the senators can decide upon final passage whether or not taking it a step that is entire like that is what they seek to do. But it is not within the object to start carving out instances where the death penalty will remain.”

POINT OF ORDER

Senator Fain: “Mr. President, you have convinced me. Pursuant to Rule 32, I now appeal the decision of the President and ask the body shall the decision of the President stand in the judgement of the Senate.

Senator Keiser assumed the chair.

MOTION

Senator Fain moved that pursuant to Rule 32, the Senate appeal the decision of the President.

President Pro Tempore Keiser stated the question before the Senate to be shall the decision of the President stand.

MOTION

Senator Sheldon demanded a roll call.

The President Pro Tempore declared that one-sixth of the members supported the demand and the demand was sustained.

Senator Liias spoke in favor of the decision.

Senator O'Ban spoke against the decision.

MOTION

On motion of Senator Liias, further consideration of Senate Bill No. 6052 was deferred and the bill held its place on the second reading calendar.

MOTION

At 3:46 p.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President.

The Senate was called to order at 4:02 p.m. by President Pro Tempore Keiser.

The President Pro Tempore declared that the question before the Senate to be shall the decision of the President stand as the judgement of the Senate.

ROLL CALL

The Secretary called the roll on the question of whether the decision of the President shall stand as the judgement of the Senate and the judgement was affirmed by the following vote: Yeas, 25; Nays, 23; Absent, 0; Excused, 1.

Voting yea: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko, Van De Wege and Wellman

Voting nay: Senators Angel, Bailey, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, Miloscia, O'Ban, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Walsh, Warnick, Wilson and Zeiger

Excused: Senator Baumgartner.

President Habib resumed the chair.

REMARKS BY SENATOR FAIN

Senator Fain: "Thank you Mr. President. Do you want to grab a beer later?"

REPLY BY THE PRESIDENT

President Habib: "If not appealed by any member of the body. This is the kind of president people like to get a beer with."

MOTION

Senator Padden moved that the following striking floor amendment no. 616 by Senator Padden be adopted:

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 10.95.040 and 1981 c 138 s 4 are each

amended to read as follows:

(1) If a person is charged with aggravated first degree murder as defined by RCW 10.95.020 and the victim was a corrections officer as provided in RCW 10.95.020(1), the prosecuting attorney shall file written notice of a special sentencing proceeding to determine whether or not the death penalty should be imposed when there is reason to believe that there are not sufficient mitigating circumstances to merit leniency.

(2) The notice of special sentencing proceeding shall be filed and served on the defendant or the defendant's attorney within thirty days after the defendant's arraignment upon the charge of aggravated first degree murder unless the court, for good cause shown, extends or reopens the period for filing and service of the notice. Except with the consent of the prosecuting attorney, during the period in which the prosecuting attorney may file the notice of special sentencing proceeding, the defendant may not tender a plea of guilty to the charge of aggravated first degree murder nor may the court accept a plea of guilty to the charge of aggravated first degree murder or any lesser included offense.

(3) If a notice of special sentencing proceeding is not filed and served as provided in this section, the prosecuting attorney may not request the death penalty.

Sec. 2. RCW 10.95.050 and 1981 c 138 s 5 are each amended to read as follows:

(1) If a defendant is adjudicated guilty of aggravated first degree murder and the victim was a corrections officer as provided in RCW 10.95.020(1), whether by acceptance of a plea of guilty, by verdict of a jury, or by decision of the trial court sitting without a jury, a special sentencing proceeding shall be held if a notice of special sentencing proceeding was filed and served as provided by RCW 10.95.040. No sort of plea, admission, or agreement may abrogate the requirement that a special sentencing proceeding be held.

(2) A jury shall decide the matters presented in the special sentencing proceeding unless a jury is waived in the discretion of the court and with the consent of the defendant and the prosecuting attorney.

(3) If the defendant's guilt was determined by a jury verdict, the trial court shall reconvene the same jury to hear the special sentencing proceeding. The proceeding shall commence as soon as practicable after completion of the trial at which the defendant's guilt was determined. If, however, unforeseen circumstances make it impracticable to reconvene the same jury to hear the special sentencing proceeding, the trial court may dismiss that jury and convene a jury pursuant to subsection (4) of this section.

(4) If the defendant's guilt was determined by plea of guilty or by decision of the trial court sitting without a jury, or if a retrial of the special sentencing proceeding is necessary for any reason including but not limited to a mistrial in a previous special sentencing proceeding or as a consequence of a remand from an appellate court, the trial court shall impanel a jury of twelve persons plus whatever alternate jurors the trial court deems necessary. The defense and prosecution shall each be allowed to peremptorily challenge twelve jurors. If there is more than one defendant, each defendant shall be allowed an additional peremptory challenge and the prosecution shall be allowed a like number of additional challenges. If alternate jurors are selected, the defense and prosecution shall each be allowed one peremptory challenge for each alternate juror to be selected and if there is more than one defendant each defendant shall be allowed an additional peremptory challenge for each alternate juror to be selected and the prosecution shall be allowed a like number of additional challenges."

On page 1, line 4 of the title, after "murder" strike the remainder of the title and insert "unless the victim was a

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

corrections officer; amending RCW 10.95.040 and 10.95.050; and prescribing penalties."

POINT OF ORDER

Senator Pedersen: "I would request a ruling on scope and object of this amendment as well, in particular the object."

President Habib: "Remarks? Senator Pedersen."

Senator Pedersen: "Thank you Mr. President. I think the issue is identical with this amendment as it was with the previous amendment. It retains the death penalty for a class of cases and so is outside the object of the bill."

Senator Padden: "Thank you Mr. President. I just wanted to indicate that this was the amendment that would deal with the killing of a corrections officer by somebody who is an inmate, as happened in January of 2011 with Jayme Biendl and Byron Scherf. I really think that this would give you a chance Mr. President, as we often do, to reconsider things and for much of the same reasons as Senator O'Ban indicated earlier, you know that this amendment should be within scope and object and I would ask you to consider ruling that way."

President Habib: "Senator Padden, in your remaining time, can you, and I ask this recognizing that you are not only a seasoned senator but also a jurist, former jurist, can you distinguish this amendment from the previous amendment and the ruling on the previous amendment?"

Senator Padden: "Well, I think the only difference Mr. President is that I think this amendment is in, you already ruled on scope, that the amendment was in scope, so the issue is object and I think it is in substantial compliance with the object of the bill because it is just a very very small number of people that this would ever apply to. I am guessing less than a handful. And so I do believe that it is in substantial compliance with the object of the bill to eliminate the death penalty. If you are eliminating it for 99.8 percent or 99.9 percent of the population out there."

RULING BY THE PRESIDENT

President Habib: "Amendment #616 retains the death penalty as an option for aggravated first degree murder in cases where the victim is a corrections officer as provided in RCW 10.95.020(1). As with the previous amendment, this fits within the scope of the bill, but for the same reasons listed above it violates the object, which is to revise sentencing laws to wholly abolish the death penalty."

For these reason, the President finds that the amendment would change the object of the bill, and the amendment is therefore out of order and Senator Pedersen's point is well-taken."

MOTION

Senator Rivers moved that the following striking floor amendment no. 681 by Senator Rivers be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** RCW 10.95.040 (Special sentencing proceeding—Notice—Filing—Service) and 1981 c 138 s 4 are each repealed.

Sec. 2. RCW 10.95.050 and 1981 c 138 s 5 are each amended to read as follows:

(1) If a defendant is adjudicated guilty of aggravated first degree murder and has made a request for the death penalty in lieu of a sentence of life without parole, whether by acceptance of a plea of guilty, by verdict of a jury, or by decision of the trial court sitting without a jury, a special sentencing proceeding shall be held ~~((if a notice of special sentencing proceeding was filed and served as provided by RCW 10.95.040)).~~ No sort of plea, admission, or agreement may abrogate the requirement that a special sentencing proceeding be held.

(2) A jury shall decide the matters presented in the special sentencing proceeding unless a jury is waived in the discretion of the court and with the consent of the defendant and the prosecuting attorney.

(3) If the defendant's guilt was determined by a jury verdict, the trial court shall reconvene the same jury to hear the special sentencing proceeding. The proceeding shall commence as soon as practicable after completion of the trial at which the defendant's guilt was determined. If, however, unforeseen circumstances make it impracticable to reconvene the same jury to hear the special sentencing proceeding, the trial court may dismiss that jury and convene a jury pursuant to subsection (4) of this section.

(4) If the defendant's guilt was determined by plea of guilty or by decision of the trial court sitting without a jury, or if a retrial of the special sentencing proceeding is necessary for any reason including but not limited to a mistrial in a previous special sentencing proceeding or as a consequence of a remand from an appellate court, the trial court shall impanel a jury of twelve persons plus whatever alternate jurors the trial court deems necessary. The defense and prosecution shall each be allowed to peremptorily challenge twelve jurors. If there is more than one defendant, each defendant shall be allowed an additional peremptory challenge and the prosecution shall be allowed a like number of additional challenges. If alternate jurors are selected, the defense and prosecution shall each be allowed one peremptory challenge for each alternate juror to be selected and if there is more than one defendant each defendant shall be allowed an additional peremptory challenge for each alternate juror to be selected and the prosecution shall be allowed a like number of additional challenges."

On page 1, line 4 of the title, after "murder" strike the remainder of the title and insert "unless the defendant has requested the death penalty; amending RCW 10.95.050; repealing RCW 10.95.040; and prescribing penalties."

POINT OF ORDER

Senator Pedersen: "Thank you Mr. President. I would request that you make a ruling of the scope and object of this amendment as well."

President Habib: "Remarks? Senator Pedersen."

Senator Pedersen: "Thank you Mr. President. I think that the argument on this amendment is identical to the argument on the previous amendments. It does not eliminate the death penalty. In fact, it seeks to carve out an exception and retain the death penalty in certain cases. So, I believe it is outside the object consistent with your prior rulings."

Senator Rivers: "Thank you Mr. President, I respectfully disagree. This amendment is allows a prisoner, someone who has been convicted to decide whether they would like to live or not. And it gives them the ability to make that decision for

themselves. So, I think that it absolutely in line with this. Its and option that is available. You know Wesley Allen Dodd in the early 70s requested to be put to death and his wish was granted. In fact, he was the first hanging, I don't think we should hang people by the way, but he was the first hanging in our state in a hundred years I think, and so I think that this bill is absolutely in line. It's the right of that individual to make this choice and so I offer this amendment."

RULING BY THE PRESIDENT

President Habib: "Amendment #681 retains the death penalty as an option for aggravated first degree murder when the defendant has requested the death penalty.

The President finds that the object of the underlying bill—revising sentencing laws to eliminate the death penalty—is at most only tangentially related to what defendants in these cases may desire for themselves. As such, introducing an entirely new sentencing mechanism, one based on defendant input, falls far outside the policy objective of the underlying bill.

The amendment, therefore, exceeds the object of the bill, and Senator Pedersen's point is well-taken."

MOTION

On motion of Senator Walsh, the rules were suspended, Senate Bill No. 6052 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Walsh and Miloscia spoke in favor of passage of the bill.

Senators Schoesler, Padden, O'Ban, Becker and Sheldon spoke against passage of the bill.

MOTION

Senator Liias demanded that the previous question be put.

The President declared that at least two additional senators joined the demand and the demand was sustained.

The President declared the question before the Senate to be, "Shall the main question be now put?"

The motion by Senator Liias carried and the previous question was put by rising vote.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6052.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6052 and the bill passed the Senate by the following vote: Yeas, 26; Nays, 22; Absent, 0; Excused, 1.

Voting yea: Senators Billig, Carlyle, Chase, Cleveland, Darneille, Dhingra, Fain, Frockt, Hasegawa, Hawkins, Hunt, Keiser, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Walsh, Warnick and Wellman

Voting nay: Senators Angel, Bailey, Becker, Braun, Brown, Conway, Ericksen, Fortunato, Hobbs, Honeyford, King, O'Ban, Padden, Rivers, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Wilson and Zeiger

Excused: Senator Baumgartner

SENATE BILL NO. 6052, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

Senator Fain moved, pursuant to Rule 18, that Second Substitute Senate Bill No. 6268, an act relating to creating the orca protection act, be made a special order of business.

Senator Fain withdrew his motion.

The Senate resumed consideration of Second Substitute Senate Bill No. 6268.

MOTION

Senator Ranker moved that the following floor amendment no. 647 by Senators Ranker, Rolfes and Van De Wege be adopted:

On page 2, line 6, after "active." insert "In the event that orca whales are not present in marine waters of Puget Sound, emphasis will be placed on patrols that protect living marine resources in northern Puget Sound."

POINT OF ORDER

Senator Fain: "Thank you Mr. President, I appreciate the opportunity to speak on my point of order. I rise to a point of scope and object on this particular amendment. The underlying bill explicitly references the orca protection act. In fact, if you were to read the entirety of the bill you will find that there is, in fact, no other mention of marine or other whales that are actually listed in the act. It is specific to, it is specific to orcas in fact. And so, while we are talking about whales certainly, the entirety of the bill is about orcas. Now, this amendment Mr. President as I look at it here, has to do with the Department of Fish and Wildlife and their patrols emphasizing marine resource protection when orcas are not present. So Mr. President, the question that I have and the point of order that I am bringing is that if the entirety of the underlying bill is about orca protection and the amendment that is in front of us is about deploying these resources to other things to marine resource protection when orcas, it just seems that it is wildly out of the object of the bill per the Presidents previous ruling. Thank you Mr. President."

WITHDRAWAL OF AMENDMENT

On motion of Senator Ranker and without objection, floor amendment no. 647 by Senators Ranker, Rolfes and Van De Wege on page 2, line 6 to Senate Bill No. 6268 was withdrawn.

MOTION

Senator Honeyford moved that the following floor amendment no. 666 by Senator Honeyford be adopted:

On page 2, line 18, after "aircraft," strike "remotely controlled aerial vehicle."

Senators Honeyford and Van De Wege spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 666 by Senator Honeyford on page 2, line 18 to Senate Bill No. 6268.

The motion by Senator Honeyford carried and floor amendment no. 666 was adopted by voice vote.

WITHDRAWAL OF AMENDMENT

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

On motion of Senator Honeyford and without objection, floor amendment no. 665 by Senators Honeyford and Wagoner on page 2, line 31 to Senate Bill No. 6268 was withdrawn.

Hobbs, Hunt, Keiser, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko, Van De Wege and Wellman

On page 2, line 31, after "within" strike "four" and insert "two"

Voting nay: Senators Angel, Bailey, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Honeyford, King, O'Ban, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Walsh, Warnick, Wilson and Zeiger

Excused: Senator Baumgartner

MOTION

Senator Braun moved that the following floor amendment no. 675 by Senator Braun be adopted:

SECOND READING

On page 3, after line 16, insert the following:

(g) A vessel or aircraft operator is not aware of their proximity to a southern resident orca due to lack of sightline, difficulty to gauge distance due to surrounding conditions or faulty equipment, or a southern resident orca approaches a vessel causing a violation of this section, all related fines must be waived.

SENATE BILL NO. 6362, by Senators Wellman, Rolfes and Billig

Modifying basic education provisions.

The measure was read the second time.

MOTION

Senators Braun and Ranker spoke in favor of adoption of the amendment.

Senator Braun moved that the Senate adjourn.

The President declared the question before the Senate to be the adoption of floor amendment no. 675 by Senator Braun on page 3, after line 16 to Senate Bill No. 6268.

MOTION

The motion by Senator Braun carried and floor amendment no. 675 was adopted by voice vote.

Senator King demanded a roll call.
Senator Liias objected to the roll call.

MOTION

POINT OF ORDER

On motion of Senator Ranker, the rules were suspended, Engrossed Second Substitute Senate Bill No. 6268 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Nelson: "Thank you Mr. President, I believe it is 4:55 p.m. and I move that we take up for consideration the 4:55 p.m. bill, which is a higher education bill."

Senators Ranker, Braun and Sheldon spoke in favor of passage of the bill.

President Habib: "Senator Nelson, you are right. However, a motion to adjourn takes precedence over everything. We need to resolve this question right now. As soon as that question is resolved, if we do not adjourn, then we will immediately take that bill up."

MOTION

Senator Fain withdrew the demand for a roll call.

Senator Liias moved that further consideration of Engrossed Second Substitute Senate Bill No. 6268 be deferred and that the bill hold its place on the third reading calendar.

The President declared that the question before the Senate to be the motion by Senator Braun to adjourn.

Senator Fain objected to the motion by Senator Liias to defer action on the bill.

The motion by Senator Braun failed to carry by voice vote.

MOTION

SPECIAL ORDER OF BUSINESS

Senator Fain demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

Pursuant to Rule 18, the hour fixed for consideration of a special order of business having arrived, the President called the Senate to order and announced that Senate Bill No. 6029 to be before the Senate and was immediately considered.

The President declared the question before the Senate to be that action on Engrossed Second Substitute Senate Bill No. 6268 be deferred and that the bill hold its place on the third reading calendar.

SECOND READING

ROLL CALL

SENATE BILL NO. 6029, by Senators Liias, Ranker, Fain, Frockt, Billig, Darneille, Palumbo, Rolfes, Keiser, Cleveland, Pedersen, Hunt, Wellman, Conway, Chase, Saldaña, Kuderer, Hasegawa and Mullet

The Secretary called the roll on the motion by Senator Liias to defer action on Engrossed Second Substitute Senate Bill No. 6268 and the motion passed the Senate and the bill kept its place on the third reading calendar by the following vote: Yeas, 27; Nays, 21; Absent, 0; Excused, 1.

Establishing a student loan bill of rights.

PARLIAMENTARY INQUIRY

Voting yea: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Frockt, Hasegawa, Hawkins,

Senator Liias: "Thank you Mr. President. Did we defer action on Senate Bill 6362?"

President Habib: "We did not. We are, Senate Bill 6362 is still before the Senate and we will return to that bill when the special order is concluded.

Senator Liias: "Thank you Mr. President."

MOTION

On motion of Senator Liias, Second Substitute Senate Bill No. 6029 was substituted for Senate Bill No. 6029 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Liias moved that the following floor amendment no. 660 by Senator Liias be adopted:

On page 19, line 7, after "include" insert "a payment plan or accounts receivable at a higher education institution as defined in RCW 28B.07.020(4) only during the time of a student's enrollment in the higher education institution, not to include a refinanced payment plan or accounts receivable."

POINT OF ORDER

Senator Ericksen: "Thank you Mr. President. I would request a scope and object ruling on this amendment. It appears to me that this amendment exempts a certain classification from the bill. Your previous ruling tonight says it's outside the object if you exempt a certain category as in the death penalty bill to exempt crimes committed against law enforcement officers. This particular amendment exempts an entire class of universities from the underlying bill which I believe is outside the object of the underlying bill."

President Habib: "Senator Liias."

Senator Liias: "Thank you Mr. President. I appreciate the gentleman's concern. The underlying bill does list a variety of exemptions from the consumer protections that are included in the bill. So, this is adding one more exemption to a list that is already contained within the bill so I believe that it falls squarely within the scope and object of the bill before us."

RULING BY THE PRESIDENT

President Habib: "Senator Ericksen as to your point of order on the scope and object of the amendment the President finds that, as was stated by Senator Liias, where there are, where the object of the bill is to, is made clear by distinguishing certain or itemizing certain classifications, groups, entities then adding or subtracting does not violate scope and object. Adding would violate scope if it were of a substantially different kind and there are, there is prior precedent of all of these questions. The difference, and I know having voted to overturn and appeal the ruling of the President, there is now suddenly much zealous adoption of the President's position on the previous ruling. Nevertheless, there is a distinction in that instance. The object of the bill was not to carve out or make specific exemptions or itemize lists, but was to entirely make a policy shift for which itemizing would actually violate, which would violate that object. This is a very different kind and the President finds the point of, finds Senator Ericksen's point out of order."

Senator Liias spoke in favor of adoption of the amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 660 by Senator Liias on page 19, line 7 to Second Substitute Senate Bill No. 6029.

The motion by Senator Liias carried and floor amendment no. 660 was adopted by voice vote.

MOTION

On motion of Senator Liias, the rules were suspended, Engrossed Second Substitute Senate Bill No. 6029 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Liias and Rivers spoke in favor of passage of the bill.

MOTION

Senator Ericksen demanded that the previous question be put.

The President declared that at least two additional senators joined the demand and the demand was sustained.

The President declared the question before the Senate to be, "Shall the main question be now put?"

The motion by Senator Ericksen carried and the previous question was put by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 6029.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6029 and the bill passed the Senate by the following vote: Yeas, 35; Nays, 13; Absent, 0; Excused, 1.

Voting yea: Senators Billig, Braun, Carlyle, Chase, Cleveland, Conway, Darmeille, Dhingra, Fain, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, King, Kuderer, Liias, McCoy, Miloscia, Mullet, Nelson, O'Ban, Palumbo, Pedersen, Ranker, Rivers, Rolfes, Saldaña, Sheldon, Takko, Van De Wege, Walsh, Wellman and Zeiger

Voting nay: Senators Angel, Bailey, Becker, Brown, Ericksen, Fortunato, Honeyford, Padden, Schoesler, Short, Wagoner, Warnick and Wilson

Excused: Senator Baumgartner

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6029, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

At 5:09 p.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President.

Senator Becker announced a meeting of the Republican Caucus.

EVENING SESSION

The Senate was called to order at 5:53 p.m. by President Habib.

MOMENT OF SILENCE

The Senate observed a moment of silence in memory of the victims of Parkland, Florida shooting which happened earlier in

the day.

EDITOR'S NOTE: Seventeen were killed in a school shooting at Marjory Stoneman Douglas High School in Parkland, Florida on February 14, 2018.

The Senate resumed consideration of Second Substitute Senate Bill No. 6362.

SECOND READING

SENATE BILL NO. 6362, by Senators Wellman, Rolfes and Billig

Modifying basic education provisions.

MOTION

On motion of Senator Wellman, Second Substitute Senate Bill No. 6362 was substituted for Senate Bill No. 6362 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Wellman moved that the following striking floor amendment no. 670 by Senator Wellman be adopted:

Strike everything after the enacting clause and insert the following:

"PART I: PROGRAM FUNDING

Sec. 101. RCW 28A.150.260 and 2017 3rd sp.s. c 13 s 402 are each amended to read as follows:

The purpose of this section is to provide for the allocation of state funding that the legislature deems necessary to support school districts in offering the minimum instructional program of basic education under RCW 28A.150.220. The allocation shall be determined as follows:

(1) The governor shall and the superintendent of public instruction may recommend to the legislature a formula for the distribution of a basic education instructional allocation for each common school district.

(2)(a) The distribution formula under this section shall be for allocation purposes only. Except as may be required under subsections (4)(b) and (c) and (9) of this section, chapter 28A.155, 28A.165, 28A.180, or 28A.185 RCW, or federal laws and regulations, nothing in this section requires school districts to use basic education instructional funds to implement a particular instructional approach or service. Nothing in this section requires school districts to maintain a particular classroom teacher-to-student ratio or other staff-to-student ratio or to use allocated funds to pay for particular types or classifications of staff. Nothing in this section entitles an individual teacher to a particular teacher planning period.

(b) To promote transparency in state funding allocations, the superintendent of public instruction must report state per-pupil allocations for each school district for the general apportionment, special education, learning assistance, transitional bilingual, highly capable, and career and technical education programs. The superintendent must also report state general apportionment per-pupil allocations by grade for each school district. The superintendent must report this information in a user-friendly format on the main page of the office's web site and on school district apportionment reports. School districts must include a link

to the superintendent's per-pupil allocations report on the main page of the school district's web site. In addition, the budget documents published by the legislature for the enacted omnibus operating appropriations act must report statewide average per-pupil allocations for general apportionment and the categorical programs listed in this subsection.

(3)(a) To the extent the technical details of the formula have been adopted by the legislature and except when specifically provided as a school district allocation, the distribution formula for the basic education instructional allocation shall be based on minimum staffing and nonstaff costs the legislature deems necessary to support instruction and operations in prototypical schools serving high, middle, and elementary school students as provided in this section. The use of prototypical schools for the distribution formula does not constitute legislative intent that schools should be operated or structured in a similar fashion as the prototypes. Prototypical schools illustrate the level of resources needed to operate a school of a particular size with particular types and grade levels of students using commonly understood terms and inputs, such as class size, hours of instruction, and various categories of school staff. It is the intent that the funding allocations to school districts be adjusted from the school prototypes based on the actual number of annual average full-time equivalent students in each grade level at each school in the district and not based on the grade-level configuration of the school to the extent that data is available. The allocations shall be further adjusted from the school prototypes with minimum allocations for small schools and to reflect other factors identified in the omnibus appropriations act.

(b) For the purposes of this section, prototypical schools are defined as follows:

(i) A prototypical high school has six hundred average annual full-time equivalent students in grades nine through twelve;

(ii) A prototypical middle school has four hundred thirty-two average annual full-time equivalent students in grades seven and eight; and

(iii) A prototypical elementary school has four hundred average annual full-time equivalent students in grades kindergarten through six.

(4)(a)(i) The minimum allocation for each level of prototypical school shall be based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours under RCW 28A.150.220 and provide at least one teacher planning period per school day, and based on the following general education average class size of full-time equivalent students per teacher:

General education	
average class size	
Grades K-3	17.00
Grade 4	27.00
Grades 5-6	27.00
Grades 7-8	28.53
Grades 9-12	28.74

(ii) The minimum class size allocation for each prototypical high school shall also provide for enhanced funding for class size reduction for two laboratory science classes within grades nine through twelve per full-time equivalent high school student multiplied by a laboratory science course factor of 0.0833, based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours in RCW 28A.150.220, and providing at least one teacher planning period per school day:

Laboratory science
average class size

Grades 9-12 19.98

(b)(i) Beginning September 1, 2018, funding for average K-3 class sizes in this subsection (4) may be provided only to the extent of, and proportionate to, the school district's demonstrated actual class size in grades K-3, up to the funded class sizes.

(ii) The office of the superintendent of public instruction shall develop rules to implement this subsection (4)(b).

(c)(i) The minimum allocation for each prototypical middle and high school shall also provide for full-time equivalent classroom teachers based on the following number of full-time equivalent students per teacher in career and technical education:

Career and technical education average class size	
Approved career and technical education offered at the middle school and high school level	23.00
Skill center programs meeting the standards established by the office of the superintendent of public instruction	20.00

(ii) Funding allocated under this subsection (4)(c) is subject to RCW 28A.150.265.

(d) In addition, the omnibus appropriations act shall at a minimum specify:

(i) A high-poverty average class size in schools where more than fifty percent of the students are eligible for free and reduced-price meals; and

(ii) A specialty average class size for advanced placement and international baccalaureate courses.

(5) The minimum allocation for each level of prototypical school shall include allocations for the following types of staff in addition to classroom teachers:

	Elementary School	Middle School	High School
Principals, assistant principals, and other certificated building-level administrators.....	3	1.353	1.880
Teacher-librarians, a function that includes information literacy, technology, and media to support school library media programs	3	0.519	0.523
Health and social services:			
School nurses	6	0.060	0.096
Social workers.....	2	0.006	0.015
Psychologists.....	7	0.002	0.007
Guidance counselors, a function that includes parent outreach and graduation advising	3	1.216	2.539
Teaching assistance, including any aspect of educational instructional services provided by classified employees	6	0.700	0.652
Office support and other noninstructional aides.....	2	2.325	3.269

Custodians	1.657	1.942	2.965
Classified staff providing student and staff safety	9	0.092	0.141
Parent involvement coordinators	25	0.00	0.00

(6)(a) The minimum staffing allocation for each school district to provide district-wide support services shall be allocated per one thousand annual average full-time equivalent students in grades K-12 as follows:

Staff per 1,000 K-12 students	
Technology.....	0.628
Facilities, maintenance, and grounds.....	1.813
Warehouse, laborers, and mechanics.....	0.332

(b) The minimum allocation of staff units for each school district to support certificated and classified staffing of central administration shall be 5.30 percent of the staff units generated under subsections (4)(a) and (5) of this section and (a) of this subsection.

(7) The distribution formula shall include staffing allocations to school districts for career and technical education and skill center administrative and other school-level certificated staff, as specified in the omnibus appropriations act.

(8)(a) Except as provided in (b) of this subsection, the minimum allocation for each school district shall include allocations per annual average full-time equivalent student for the following materials, supplies, and operating costs as provided in the 2017-18 school year, after which the allocations shall be adjusted annually for inflation as specified in the omnibus appropriations act:

Per annual average full-time equivalent student in grades K-12	
Technology.....	\$130.76
Utilities and insurance	\$355.30
Curriculum and textbooks	\$140.39
Other supplies and library materials	\$298.05
Instructional professional development for certificated and classified staff.....	\$21.71
Facilities maintenance	\$176.01
Security and central office administration.....	\$121.94

(b) In addition to the amounts provided in (a) of this subsection, beginning in the 2014-15 school year, the omnibus appropriations act shall provide the following minimum allocation for each annual average full-time equivalent student in grades nine through twelve for the following materials, supplies, and operating costs, to be adjusted annually for inflation:

Per annual average full-time equivalent student in grades 9-12	
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

(9) In addition to the amounts provided in subsection (8) of this section and subject to RCW 28A.150.265, the omnibus appropriations act shall provide an amount based on full-time equivalent student enrollment in each of the following:

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

(a) Exploratory career and technical education courses for students in grades seven through twelve;

(b) Preparatory career and technical education courses for students in grades nine through twelve offered in a high school; and

(c) Preparatory career and technical education courses for students in grades eleven and twelve offered through a skill center.

(10) In addition to the allocations otherwise provided under this section, amounts shall be provided to support the following programs and services:

(a)(i) To provide supplemental instruction and services for students who are not meeting academic standards through the learning assistance program under RCW 28A.165.005 through 28A.165.065, allocations shall be based on the district percentage of students in grades K-12 who were eligible for free or reduced-price meals in the prior school year. The minimum allocation for the program shall provide for each level of prototypical school resources to provide, on a statewide average, 2.3975 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher.

(ii) In addition to funding allocated under (a)(i) of this subsection, to provide supplemental instruction and services for students who are not meeting academic standards in ~~((schools where at least fifty percent of students are eligible for free and reduced-price meals))~~ qualifying schools. A qualifying school means a school in which the three-year rolling average of the prior year total annual average enrollment that qualifies for free or reduced-price meals equals or exceeds fifty percent or more of its total annual average enrollment. The minimum allocation for this additional high poverty-based allocation must provide for each level of prototypical school resources to provide, on a statewide average, 1.1 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher, under RCW 28A.165.055, school districts must distribute the high poverty-based allocation to the schools that generated the funding allocation.

(b)(i) To provide supplemental instruction and services for students whose primary language is other than English, allocations shall be based on the head count number of students in each school who are eligible for and enrolled in the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080. The minimum allocation for each level of prototypical school shall provide resources to provide, on a statewide average, 4.7780 hours per week in extra instruction for students in grades kindergarten through six and 6.7780 hours per week in extra instruction for students in grades seven through twelve, with fifteen transitional bilingual instruction program students per teacher. Notwithstanding other provisions of this subsection (10), the actual per-student allocation may be scaled to provide a larger allocation for students needing more intensive intervention and a commensurate reduced allocation for students needing less intensive intervention, as detailed in the omnibus appropriations act.

(ii) To provide supplemental instruction and services for students who have exited the transitional bilingual program, allocations shall be based on the head count number of students in each school who have exited the transitional bilingual program within the previous two years based on their performance on the English proficiency assessment and are eligible for and enrolled in the transitional bilingual instruction program under RCW 28A.180.040(1)(g). The minimum allocation for each prototypical school shall provide resources to provide, on a statewide average, 3.0 hours per week in extra instruction with fifteen exited students per teacher.

(c) To provide additional allocations to support programs for highly capable students under RCW 28A.185.010 through 28A.185.030, allocations shall be based on 5.0 percent of each school district's full-time equivalent basic education enrollment. The minimum allocation for the programs shall provide resources to provide, on a statewide average, 2.1590 hours per week in extra instruction with fifteen highly capable program students per teacher.

(11) The allocations under subsections (4)(a), (5), (6), and (8) of this section shall be enhanced as provided under RCW 28A.150.390 on an excess cost basis to provide supplemental instructional resources for students with disabilities.

(12)(a) For the purposes of allocations for prototypical high schools and middle schools under subsections (4) and (10) of this section that are based on the percent of students in the school who are eligible for free and reduced-price meals, the actual percent of such students in a school shall be adjusted by a factor identified in the omnibus appropriations act to reflect underreporting of free and reduced-price meal eligibility among middle and high school students.

(b) Allocations or enhancements provided under subsections (4), (7), and (9) of this section for exploratory and preparatory career and technical education courses shall be provided only for courses approved by the office of the superintendent of public instruction under chapter 28A.700 RCW.

(13)(a) This formula for distribution of basic education funds shall be reviewed biennially by the superintendent and governor. The recommended formula shall be subject to approval, amendment or rejection by the legislature.

(b) In the event the legislature rejects the distribution formula recommended by the governor, without adopting a new distribution formula, the distribution formula for the previous school year shall remain in effect.

(c) 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 first school day of each month, 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. The definition of full-time equivalent student shall be determined by rules of the superintendent of public instruction and shall be included as part of the superintendent's biennial budget request. The definition shall be based on the minimum instructional hour offerings required under RCW 28A.150.220. Any revision of the present definition shall not take effect until approved by the house ways and means committee and the senate ways and means committee.

(d) The office of financial management shall make a monthly review of the superintendent's reported full-time equivalent students in the common schools in conjunction with RCW 43.62.050.

Sec. 102. RCW 28A.150.390 and 2017 3rd sp.s. c 13 s 406 are each amended to read as follows:

(1) The superintendent of public instruction shall submit to each regular session of the legislature during an odd-numbered year a programmed budget request for special education programs for students with disabilities. Funding for programs operated by local school districts shall be on an excess cost basis from appropriations provided by the legislature for special education programs for students with disabilities and shall take account of state funds accruing through RCW 28A.150.260 (4)(a), (5), (6), and (8) and 28A.150.415.

(2) The excess cost allocation to school districts shall be based on the following:

(a) A district's annual average headcount enrollment of students ages birth through four and those five year olds not yet

enrolled in kindergarten who are eligible for and enrolled in special education, multiplied by the district's base allocation per full-time equivalent student, multiplied by 1.15; and

(b) A district's annual average full-time equivalent basic education enrollment, multiplied by the district's funded enrollment percent, multiplied by the district's base allocation per full-time equivalent student, multiplied by ~~((0.9309))~~ 0.9609.

(3) As used in this section:

(a) "Base allocation" means the total state allocation to all schools in the district generated by the distribution formula under RCW 28A.150.260 (4)(a), (5), (6), and (8) and 28A.150.415, to be divided by the district's full-time equivalent enrollment.

(b) "Basic education enrollment" means enrollment of resident students including nonresident students enrolled under RCW 28A.225.225 and students from nonhigh districts enrolled under RCW 28A.225.210 and excluding students residing in another district enrolled as part of an interdistrict cooperative program under RCW 28A.225.250.

(c) "Enrollment percent" means the district's resident special education annual average enrollment, excluding students ages birth through four and those five year olds not yet enrolled in kindergarten, as a percent of the district's annual average full-time equivalent basic education enrollment.

(d) "Funded enrollment percent" means the lesser of the district's actual enrollment percent or thirteen and five-tenths percent.

NEW SECTION. Sec. 103. A new section is added to chapter 28A.160 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, a transportation alternate funding grant program is created.

(2) As part of the award process for the grants, the superintendent of public instruction must include a review of the school district's efficiency rating, key performance indicators, and local school district characteristics such as unique geographic constraints, low enrollment, geographic density of students, or whether the district is a nonhigh district.

Sec. 104. RCW 28A.165.055 and 2017 3rd sp.s. c 13 s 405 are each amended to read as follows:

(1) The funds for the learning assistance program shall be appropriated in accordance with RCW 28A.150.260 and the omnibus appropriations act. The distribution formula is for school district allocation purposes only, except as provided in RCW 28A.150.260(10)(a)(ii), but all funds appropriated for the learning assistance program must be expended for the purposes of RCW 28A.165.005 through 28A.165.065.

(2) A district's high poverty-based allocation is generated by its qualifying schools ~~((buildings))~~ as defined in RCW 28A.150.260(10) and must be expended by the district for those ~~((buildings))~~ schools. This funding must supplement and not supplant the district's expenditures under this chapter for those schools ~~((buildings))~~.

PART II: COMPENSATION

NEW SECTION. Sec. 201. The legislature recognizes that Initiative Measure No. 1433 was approved by the voters of the state of Washington in 2016 requiring employers to provide paid sick leave to each of its employees. The legislature acknowledges that the enactment of this initiative contributes to the costs of operations of the state's public schools and intends to provide funding in the omnibus appropriations act to support school districts with these additional costs.

Sec. 202. RCW 28A.150.410 and 2017 3rd sp.s. c 13 s 101

are each amended to read as follows:

(1) Through the 2017-18 school year, the legislature shall establish for each school year in the appropriations act a statewide salary allocation schedule, for allocation purposes only, to be used to distribute funds for basic education certificated instructional staff salaries under RCW 28A.150.260. For the purposes of this section, the staff allocations for classroom teachers, teacher-librarians, guidance counselors, and student health services staff under RCW 28A.150.260 are considered allocations for certificated instructional staff.

(2) Through the 2017-18 school year, salary allocations for state-funded basic education certificated instructional staff shall be calculated by the superintendent of public instruction by determining the district's average salary for certificated instructional staff, using the statewide salary allocation schedule and related documents, conditions, and limitations established by the omnibus appropriations act.

(3) Through the 2017-18 school year, 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 the omnibus appropriations act, or any replacement schedules and documents, unless:

(a) The employee has a master's degree; or

(b) The credits were used in generating state salary allocations before January 1, 1992.

(4) Beginning in the 2007-08 school year and through the 2017-18 school year, the calculation of years of service for occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, and psychologists regulated under Title 18 RCW may include experience in schools and other nonschool positions as occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, or psychologists. The calculation shall be that one year of service in a nonschool position counts as one year of service for purposes of this chapter, up to a limit of two years of nonschool service. Nonschool years of service included in calculations under this subsection shall not be applied to service credit totals for purposes of any retirement benefit under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement system benefits.

(5) By the ~~((2019-20))~~ 2018-19 school year, the minimum state allocation for salaries for certificated instructional staff in the basic education program must be increased ~~((beginning in the 2018-19 school year))~~ to provide a statewide average allocation of sixty-four thousand dollars adjusted for inflation from the 2017-18 school year.

(6) By the ~~((2019-20))~~ 2018-19 school year, the minimum state allocation for salaries for certificated administrative staff in the basic education program must be increased ~~((beginning in the 2018-19 school year))~~ to provide a statewide average allocation of ninety-five thousand dollars adjusted for inflation from the 2017-18 school year.

(7) By the ~~((2019-20))~~ 2018-19 school year, the minimum state allocation for salaries for classified staff in the basic education program must be increased ~~((beginning in the 2018-19 school year))~~ to provide a statewide average allocation of forty-five thousand nine hundred twelve dollars adjusted by inflation from the 2017-18 school year.

(8) ~~((To implement the new minimum salary allocations in subsections (5) through (7) of this section, the legislature must fund fifty percent of the increased salary allocation in the 2018-19 school year and the entire increased salary allocation in the 2019-20 school year.))~~ For school year 2018-19, a district's minimum state allocation for salaries is the greater of the district's 2017-18 state salary allocation, adjusted for inflation, or the

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

district's allocation based on the state salary level specified in subsections (5) through (7) of this section, and as further specified in the omnibus appropriations act.

(9) Beginning with the 2018-19 school year, state allocations for salaries for certificated instructional staff, certificated administrative staff, and classified staff must be adjusted for regional differences in the cost of hiring staff. Adjustments for regional differences must be specified in the omnibus appropriations act for each school year through at least school year 2022-23. For school years 2018-19 through school year 2022-23, the school district regionalization factors are based on the median single-family residential value of each school district and proximate school district median single-family residential value as described in RCW 28A.150.412.

(10) Beginning with the 2023-24 school year and every ~~((six))~~ four years thereafter, the minimum state salary allocations and school district regionalization factors for certificated instructional staff, certificated ~~((administration — F:\Journal\2018 Journal\Journal2018\LegDay038\administrative.doc))~~ administrative staff, and classified staff must be reviewed and rebased, as provided under RCW 28A.150.412, to ensure that state salary allocations continue to align with staffing costs for the state's program of basic education.

(11) For the purposes of this section, "inflation" has the meaning provided in RCW 28A.400.205 for "inflationary adjustment index."

Sec. 203. RCW 28A.150.412 and 2017 3rd sp.s. c 13 s 104 are each amended to read as follows:

(1) Beginning with the 2023 regular legislative session, and every ~~((six))~~ four years thereafter, the legislature shall review and rebase state basic education compensation allocations compared to school district compensation data, regionalization factors, what inflationary measure is the most representative of actual market experience for school districts, and other economic information. The legislature shall revise the minimum allocations ~~((and))~~, regionalization factors, and inflationary measure if necessary to ensure that state basic education allocations continue to provide market-rate salaries and that regionalization adjustments reflect actual economic differences between school districts.

(2)(a) For school districts with single-family residential values above the statewide median residential value, regionalization factors for school years 2018-19 through school year 2022-23 are as follows:

(i) For school districts in tercile 1, state salary allocations for school district employees are regionalized by six percent;

(ii) For school districts in tercile 2, state salary allocations for school district employees are regionalized by twelve percent; and

(iii) For school districts in tercile 3, state salary allocations for school district employees are regionalized by eighteen percent.

(b) For school districts sharing a boundary with any school district with a regionalization factor more than one tercile higher, the regionalization factor for the district with the lower regionalization factor must be increased by six percent, if the lower district is located west of the crest of the Cascade mountains.

(c) Additional school district adjustments are identified in the omnibus appropriations act, and these adjustments are partially reduced or eliminated by the 2022-23 school year as follows:

(i) Adjustments that increase the regionalization factor to a value that is greater than the tercile 3 regionalization factor must be reduced by two percentage points each school year beginning with school year 2020-21, through 2022-23.

(ii) Adjustments that increase the regionalization factor to a value that is less than or equal to the tercile 3 regionalization factor must be reduced by one percentage point each school year

beginning with school year 2020-21, through 2022-23.

(3) To aid the legislature in reviewing and rebasing regionalization factors, the department of revenue shall, by November 1, 2022, and by November 1st every ~~((six))~~ four years thereafter, determine the median single-family residential value of each school district as well as the median value of proximate districts within fifteen miles of the boundary of the school district for which the median residential value is being calculated.

(4) No district may receive less state funding for the minimum state salary allocation as compared to its prior school year salary allocation as a result of adjustments that reflect updated regionalized salaries.

(5) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Median residential value of each school district" means the median value of all single-family residential parcels included within a school district and any other school district that is proximate to the school district.

(b) "Proximate to the school district" means within fifteen miles of the boundary of the school district for which the median residential value is being calculated.

(c) "School district employees" means state-funded certificated instructional staff, certificated administrative staff, and classified staff.

(d) "School districts in tercile 1" means school districts with median single-family residential values in the first tercile of districts with single-family residential values above the statewide median residential value.

(e) "School districts in tercile 2" means school districts with median single-family residential values in the second tercile of districts with single-family residential values above the statewide median residential value.

(f) "School districts in tercile 3" means school districts with median single-family residential values in the third tercile of districts with single-family residential values above the statewide median residential value.

(g) "Statewide median residential value" means the median value of single-family residential parcels located within all school districts, reduced by five percent.

NEW SECTION. Sec. 204. (1) For the 2018-19 school year and subject to the availability of amounts appropriated for this specific purpose, a salary safety net grant program is created to provide districts additional funding for salaries if they can demonstrate, at a minimum, that the district's total certificated instructional staff state salary allocation is negatively impacting the district's ability to recruit and retain staff and:

(a) The district's total certificated instructional staff average experience is significantly higher than the statewide median; or

(b) The district can demonstrate the regionalization factor applied to the district is inappropriately low because of circumstances unique to the district such as restrictions on staff mobility combined with an affordability index higher than their current regionalization factor.

(2) The total grant funding awarded to a district by the superintendent of public instruction under this section may not be greater than a two percent increase to the statewide average certificated instructional staff salary allocation to the district.

(3) The superintendent of public instruction shall report back to the legislature by December 2019, on the number and types of salary safety net grants awarded, the districts receiving the grants, the rationale for the award, and any recommendations for modifications to the state's salary or regionalization formula that would address the issues identified for the districts receiving the awards.

(4) This section expires January 1, 2020.

Sec. 205. RCW 28A.400.006 and 2017 3rd sp.s. c 13 s 703 are each amended to read as follows:

(1) A school district may not ~~((provide any))~~ increase average total school district expenditures for certificated administrative staff ((with a percentage increase to total salary)) for the 2018-19 school year ~~(, including supplemental contracts, that exceeds the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle. However, if a district's average certificated administrative staff salary is less than the average certificated administrative salary allocated by the state for that year, the district may increase salaries not to exceed the point where the district's average certificated administrative staff salary equals the average certificated administrative staff salary allocated by the state))~~ in excess of the following:

(a) Annual salary inflationary adjustments based on the rate of the yearly increase of the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle;

(b) Annual experience and education salary step increases according to what was the prior year's practice within the school district; or

(c) School districts with an average total certificated administrative staff salary less than the statewide average certificated administrative staff salary allocation used to distribute funds for basic education as estimated by the office of the superintendent of public instruction for the 2018-19 school year may provide salary increases up to the statewide average allocation.

(2) Changes to any terms of an employment contract for nonrepresented employees must comply with the same requirements established in this section.

(3) This section expires August 31, 2019.

Sec. 206. RCW 28A.400.200 and 2017 3rd sp.s. c 13 s 103 are each amended to read as follows:

(1) Every school district board of directors shall fix, alter, allow, and order paid salaries and compensation for all district employees in conformance with this section.

(2)(a) Through the 2017-18 school year, salaries for certificated instructional staff shall not be less than the salary provided in the appropriations act in the statewide salary allocation schedule for an employee with a baccalaureate degree and zero years of service;

(b) Salaries for certificated instructional staff with a master's degree shall not be less than the salary provided in the appropriations act in the statewide salary allocation schedule for an employee with a master's degree and zero years of service; and

(c) Beginning with the ~~((2019-20))~~ 2018-19 school year:

(i) Salaries for full-time certificated instructional staff must not be less than forty thousand dollars, to be adjusted for regional differences in the cost of hiring staff as specified in RCW 28A.150.410, and to be adjusted annually by the same inflationary measure as provided in RCW 28A.400.205;

(ii) Salaries for full-time certificated instructional staff with at least five years of experience must exceed by at least ten percent the value specified in (c)(i) of this subsection;

(iii) ~~((A district may not pay full-time certificated instructional staff a salary that exceeds ninety thousand dollars, subject to adjustment for regional differences in the cost of hiring staff as specified in RCW 28A.150.410. This maximum salary is adjusted annually by the inflationary measure in RCW 28A.400.205;~~

~~((These minimum and maximum salaries))~~ The salaries under this section apply to the services provided as part of the

state's statutory program of basic education and exclude supplemental contracts for additional time, responsibility, or incentive pursuant to this section or for enrichment pursuant to RCW 28A.150.276;

~~((~~(*)~~))~~ (iv) A district may ((pay)) also provide a salary ((that exceeds this maximum salary by)) increase of up to ten percent for full-time certificated instructional staff: Who are educational staff associates; who teach in the subjects of science, technology, engineering, or math; or who teach in the transitional bilingual instruction or special education programs.

(3)(a)(i) Through the 2017-18 school year the actual average salary paid to certificated instructional staff shall not exceed the district's average certificated instructional staff salary used for the state basic education allocations for that school year as determined pursuant to RCW 28A.150.410.

(ii) For the 2018-19 school year, salaries for certificated instructional staff are subject to the limitations in RCW 41.59.800.

(iii) Beginning with the 2019-20 school year, for purposes of subsection (4) of this section, RCW 28A.150.276, and 28A.505.100, each school district must annually identify the actual salary paid to each certificated instructional staff for services rendered as part of the state's program of basic education.

(b) Through the 2018-19 school year, fringe benefit contributions for certificated instructional staff shall be included as salary under (a)(i) of this subsection only to the extent that the district's actual average benefit contribution exceeds the amount of the insurance benefits allocation, less the amount remitted by districts to the health care authority for retiree subsidies, provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable. For purposes of this section, fringe benefits shall not include payment for unused leave for illness or injury under RCW 28A.400.210; employer contributions for old age survivors insurance, workers' compensation, unemployment compensation, and retirement benefits under the Washington state retirement system; or employer contributions for health benefits in excess of the insurance benefits allocation provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable. A school district may not use state funds to provide employer contributions for such excess health benefits.

(c) Salary and benefits for certificated instructional staff in programs other than basic education shall be consistent with the salary and benefits paid to certificated instructional staff in the basic education program.

(4)(a) Salaries and benefits for certificated instructional staff may exceed the limitations in subsection (3) of this section only by separate contract for additional time, for additional responsibilities, or for incentives. Supplemental contracts shall not cause the state to incur any present or future funding obligation. Supplemental contracts must be accounted for by a school district when the district is developing its four-year budget plan under RCW 28A.505.040.

(b) Supplemental contracts shall be subject to the collective bargaining provisions of chapter 41.59 RCW and the provisions of RCW 28A.405.240, shall not exceed one year, and if not renewed shall not constitute adverse change in accordance with RCW 28A.405.300 through 28A.405.380. No district may enter into a supplemental contract under this subsection for the provision of services which are a part of the basic education program required by Article IX, section 1 of the state Constitution and RCW 28A.150.220. Beginning September 1, 2019, supplemental contracts for certificated instructional staff are subject to the following additional restrictions: School districts may enter into supplemental contracts only for enrichment

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

activities as defined in and subject to the limitations of RCW 28A.150.276. The rate the district pays under a time-based supplemental contract may not exceed the hourly rate provided to that same instructional staff for services under the basic education salary identified pursuant to subsection (3)(a)(iii) of this section.

(5) Employee benefit plans offered by any district shall comply with RCW 28A.400.350, 28A.400.275, and 28A.400.280.

Sec. 207. RCW 28A.400.205 and 2017 3rd sp.s. c 13 s 102 are each amended to read as follows:

(1) School district employees shall be provided an annual salary inflationary increase in accordance with this section.

(a) The inflationary increase shall be calculated by applying the rate of the yearly increase in the inflationary adjustment index to any state-funded salary base used in state funding formulas for teachers and other school district employees. Beginning with the ~~((2020-21))~~ 2019-20 school year, each school district shall be provided an inflationary adjustment allocation sufficient to grant this inflationary increase.

(b) A school district shall distribute its inflationary adjustment allocation for salaries and salary-related benefits in accordance with the district's collective bargaining agreements and compensation policies. No later than the end of the school year, each school district shall certify to the superintendent of public instruction that it has spent funds provided for inflationary increases on salaries and salary-related benefits.

(c) Any funded inflationary increase shall be included in the salary base used to determine inflationary increases for school employees in subsequent years. For teachers and other certificated instructional staff, the rate of the annual inflationary increase funded for certificated instructional staff shall be applied to the base salary used with the statewide salary allocation methodology established under RCW 28A.150.410 and to any other salary allocation methodologies used to recognize school district personnel costs.

(2) For the purposes of this section, "inflationary adjustment index" means, for any school year, the implicit price deflator for that fiscal year, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington.

Sec. 208. RCW 41.56.800 and 2017 3rd sp.s. c 13 s 701 are each amended to read as follows:

(1) A school district collective bargaining agreement for classified staff that is executed or modified after July 6, 2017, and that is in effect for the 2018-19 school year may not ~~((provide school district classified staff with a percentage))~~ increase ~~((to))~~ average total salary for the 2018-19 school year, including supplemental contracts, ~~((that exceeds the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle. However, if a district's average classified staff salary is less than the average classified salary allocated by the state for that year, the district may increase salaries not to exceed the point where the district's average classified staff salary equals the average classified staff salary allocated by the state))~~ in excess of the following:

(a) Annual salary inflationary adjustments based on the rate of the yearly increase of the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle;

(b) Annual experience and education salary step increases according to the salary schedule specified in the agreement;

(c) Salary changes for staffing increases due to enrollment

growth or state-funded increases under RCW 28A.150.260; or

(d) School districts with an average total classified staff salary less than the statewide average classified salary allocation used to distribute funds for basic education as estimated by the office of the superintendent of public instruction for the 2018-19 school year may provide salary increases up to the statewide average allocation.

(2) Changes to any terms of an employment contract for nonrepresented employees must comply with the same requirements established in this section.

(3) This section expires August 31, 2019.

Sec. 209. RCW 41.59.800 and 2017 3rd sp.s. c 13 s 702 are each amended to read as follows:

(1) A school district collective bargaining agreement for certificated instructional staff that is executed or modified after July 6, 2017, and that is in effect for the 2018-19 school year may not ~~((provide school district certificated instructional staff with a percentage))~~ increase ~~((to))~~ average total salary for the 2018-19 school year, including supplemental contracts, ~~((that exceeds the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle. However, if a district's average certificated instructional staff salary is less than the average certificated instructional staff salary allocated by the state for that year, the district may increase salaries not to exceed the point where the district's average certificated instructional staff salary equals the average certificated instructional staff salary allocated by the state))~~ in excess of the following:

(a) Annual salary inflationary adjustments based on the rate of the yearly increase of the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle;

(b) Annual experience and education salary step increases according to the salary schedule specified in the agreement;

(c) Salary changes for staffing increases due to enrollment growth or state-funded increases under RCW 28A.150.260;

(d) Salary changes to provide professional learning under RCW 28A.415.430;

(e) Increases related to bonuses for attaining certification from the national board for professional teaching standards; or

(f) School districts with an average total certificated instructional staff salary less than the statewide average certificated instructional staff salary allocation used to distribute funds for basic education as estimated by the office of the superintendent of public instruction for the 2018-19 school year may provide salary increases up to the statewide average allocation.

(2) Changes to any terms of an employment contract for nonrepresented employees must comply with the same requirements established in this section.

(3) This section expires August 31, 2019.

PART III: LEVIES

Sec. 301. RCW 28A.150.276 and 2017 3rd sp.s. c 13 s 501 are each amended to read as follows:

(1)(a) Beginning September 1, ~~((2019))~~ 2018, school districts may use local revenues only for documented and demonstrated enrichment of the state's statutory program of basic education as authorized in subsection (2) of this section.

(b) Nothing in this section revises the definition or the state funding of the program of basic education under RCW 28A.150.220 and 28A.150.260.

(c) For purposes of this section, "local revenues" means

enrichment levies collected under RCW 84.52.053, ~~((transportation vehicle enrichment levies,))~~ local effort assistance funding received under chapter 28A.500 RCW, and other school district local revenues including, but not limited to, grants, donations, and state and federal payments in lieu of taxes, except that "local revenues" does not include other federal revenues, or local revenues that operate as an offset to the district's basic education allocation under RCW 28A.150.250.

(2)(a) Enrichment activities are permitted under this section if they provide supplementation beyond the state:

(i) Minimum instructional offerings of RCW 28A.150.220 or 28A.150.260;

(ii) Staffing ratios or program components of RCW 28A.150.260, including providing additional staff for class size reduction beyond class sizes allocated in the prototypical school model and additional staff beyond the staffing ratios allocated in the prototypical school formula;

(iii) Program components of RCW 28A.150.200, 28A.150.220, or 28A.150.260; or

(iv) Program of professional learning as defined by RCW 28A.415.430 beyond that allocated pursuant to RCW 28A.150.415.

(b) Permitted enrichment activities consist of:

(i) Extracurricular activities, extended school days, or an extended school year;

(ii) Additional course offerings beyond the minimum instructional program established in the state's statutory program of basic education;

(iii) Activities associated with early learning programs;

(iv) Any additional salary costs attributable to the provision or administration of the enrichment activities allowed under this subsection; and

(v) Additional activities or enhancements that the office of the superintendent of public instruction determines to be a documented and demonstrated enrichment of the state's statutory program of basic education under (a) of this subsection and for which the superintendent approves proposed expenditures during the preballot approval process required by RCW 84.52.053 and 28A.505.240.

(3) In addition to the limitations of subsections (1) and (2) of this section and of RCW 28A.400.200, permitted enrichment activities are subject to the following conditions and limitations:

(a) If a school district spends local revenues for salary costs attributable to the administration of enrichment programs, the portion of administrator salaries attributable to that purpose may not exceed ~~((the proportion))~~ twenty-five percent of the ~~((district's local revenues to its other revenues))~~ total district expenditures for administrator salaries; and

(b) Supplemental contracts under RCW 28A.400.200 are subject to the limitations of this section.

(4) The superintendent of public instruction must adopt rules to implement this section.

Sec. 302. RCW 28A.320.330 and 2017 3rd sp.s. c 13 s 601 are each amended to read as follows:

School districts shall establish the following funds in addition to those provided elsewhere by law:

(1)(a) A general fund for the school district to account for all financial operations of the school district except those required to be accounted for in another fund.

(b) By the ~~((2019-20))~~ 2018-19 school year, a local revenue subfund of its general fund to account for the financial operations of a school district that are paid from local revenues. The local revenues that must be deposited in the local revenue subfund are enrichment levies and transportation vehicle ~~((enrichment))~~ levies collected under RCW 84.52.053, local effort assistance

funding received under chapter 28A.500 RCW, and other school district local revenues including, but not limited to, grants, donations, and state and federal payments in lieu of taxes, but do not include other federal revenues, or local revenues that operate as an offset to the district's basic education allocation under RCW 28A.150.250. School districts must track expenditures from this subfund separately to account for the expenditure of each of these streams of revenue by source, and must provide any supplemental expenditure schedules required by the superintendent of public instruction or state auditor for purposes of RCW 43.09.2856.

(2) A capital projects fund shall be established for major capital purposes. All statutory references to a "building fund" shall mean the capital projects fund so established. Money to be deposited into the capital projects fund shall include, but not be limited to, bond proceeds, proceeds from excess levies authorized by RCW 84.52.053, state apportionment proceeds as authorized by RCW 28A.150.270, earnings from capital projects fund investments as authorized by RCW 28A.320.310 and 28A.320.320, and state forest revenues transferred pursuant to subsection (3) of this section.

Money derived from the sale of bonds, including interest earnings thereof, may only be used for those purposes described in RCW 28A.530.010, except that accrued interest paid for bonds shall be deposited in the debt service fund.

Money to be deposited into the capital projects fund shall include but not be limited to rental and lease proceeds as authorized by RCW 28A.335.060, and proceeds from the sale of real property as authorized by RCW 28A.335.130.

Money legally deposited into the capital projects fund from other sources may be used for the purposes described in RCW 28A.530.010, and for the purposes of:

(a) Major renovation and replacement of facilities and systems where periodical repairs are no longer economical or extend the useful life of the facility or system beyond its original planned useful life. Such renovation and replacement shall include, but shall not be limited to, major repairs, exterior painting of facilities, replacement and refurbishment of roofing, exterior walls, windows, heating and ventilating systems, floor covering in classrooms and public or common areas, and electrical and plumbing systems.

(b) Renovation and rehabilitation of playfields, athletic fields, and other district real property.

(c) The conduct of preliminary energy audits and energy audits of school district buildings. For the purpose of this section:

(i) "Preliminary energy audits" means a determination of the energy consumption characteristics of a building, including the size, type, rate of energy consumption, and major energy using systems of the building.

(ii) "Energy audit" means a survey of a building or complex which identifies the type, size, energy use level, and major energy using systems; which determines appropriate energy conservation maintenance or operating procedures and assesses any need for the acquisition and installation of energy conservation measures, including solar energy and renewable resource measures.

(iii) "Energy capital improvement" means the installation, or modification of the installation, of energy conservation measures in a building which measures are primarily intended to reduce energy consumption or allow the use of an alternative energy source.

(d) Those energy capital improvements which are identified as being cost-effective in the audits authorized by this section.

(e) Purchase or installation of additional major items of equipment and furniture: PROVIDED, That vehicles shall not be purchased with capital projects fund money.

(f)(i) Costs associated with implementing technology systems, facilities, and projects, including acquiring hardware, licensing

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

software, and online applications and training related to the installation of the foregoing. However, the software or applications must be an integral part of the district's technology systems, facilities, or projects.

(ii) Costs associated with the application and modernization of technology systems for operations and instruction including, but not limited to, the ongoing fees for online applications, subscriptions, or software licenses, including upgrades and incidental services, and ongoing training related to the installation and integration of these products and services. However, to the extent the funds are used for the purpose under this subsection (2)(f)(ii), the school district shall transfer to the district's general fund the portion of the capital projects fund used for this purpose. The office of the superintendent of public instruction shall develop accounting guidelines for these transfers in accordance with internal revenue service regulations.

(g) Major equipment repair, painting of facilities, and other major preventative maintenance purposes. However, to the extent the funds are used for the purpose under this subsection (2)(g), the school district shall transfer to the district's general fund the portion of the capital projects fund used for this purpose. The office of the superintendent of public instruction shall develop accounting guidelines for these transfers in accordance with internal revenue service regulations. Based on the district's most recent two-year history of general fund maintenance expenditures, funds used for this purpose may not replace routine annual preventive maintenance expenditures made from the district's general fund.

(3) A debt service fund to provide for tax proceeds, other revenues, and disbursements as authorized in chapter 39.44 RCW. State forestland revenues that are deposited in a school district's debt service fund pursuant to RCW 79.64.110 and to the extent not necessary for payment of debt service on school district bonds may be transferred by the school district into the district's capital projects fund.

(4) An associated student body fund as authorized by RCW 28A.325.030.

(5) Advance refunding bond funds and refunded bond funds to provide for the proceeds and disbursements as authorized in chapter 39.53 RCW.

Sec. 303. RCW 28A.500.015 and 2017 3rd sp.s. c 13 s 206 are each amended to read as follows:

(1) Beginning in calendar year 2019 and each calendar year thereafter, the state must provide state local effort assistance funding to supplement school district enrichment levies as provided in this section.

(2) For an eligible school district, annual local effort assistance funding is equal to the school district's maximum local effort assistance multiplied by a fraction equal to the school district's actual enrichment levy divided by the school district's maximum allowable enrichment levy.

(3) The state local effort assistance funding provided under this section is not part of the state's program of basic education deemed by the legislature to comply with the requirements of Article IX, section 1 of the state Constitution.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Eligible school district" means a school district whose maximum allowable enrichment levy divided by the school district's total student enrollment in the prior school year is less than the state local effort assistance threshold.

(b) For the purpose of this section, "inflation" means ((inflation as defined in RCW 84.55.005)), for any school year, the rate of the yearly increase of the previous calendar year's annual average consumer price index for all urban consumers, Seattle area, using

the official current base compiled by the bureau of labor statistics, United States department of labor.

(c) "Maximum allowable enrichment levy" means the maximum levy permitted by RCW 84.52.0531.

(d) "Maximum local effort assistance" means ~~((the school district's student enrollment in the prior school year multiplied by))~~ the difference ~~((of))~~ between the following:

(i) The school district's actual prior school year enrollment multiplied by the state local effort assistance threshold; and ~~((a))~~

(ii) The school district's maximum allowable enrichment levy ((divided by the school district's student enrollment in the prior school year)).

(e) "Prior school year" means the most recent school year completed prior to the year in which the state local effort assistance funding is to be distributed.

(f) "State local effort assistance threshold" means one thousand five hundred dollars per student, ~~((adjusted))~~ increased for inflation beginning in calendar year 2020.

(g) "Student enrollment" means the average annual resident full-time equivalent student enrollment.

(h) "Resident" means a student who:

(i) Resides within the geographic boundaries of the school district; or

(ii) Transfers into the district by choice under RCW 28A.225.225; except students who participate in an online course or online school program as defined in RCW 28A.250.010, and do not also attend a school within the district, are excluded from the definition.

(5) The home district of a student who transfers into another district by choice under chapter 28A.225 RCW shall not receive local effort assistance funding under this section.

(6) For districts in a high/nonhigh relationship, the enrollments of the nonhigh resident students attending the high school shall only be counted by the nonhigh school districts for purposes of funding under this section.

(7) For school districts participating in an innovation academy cooperative established under RCW 28A.340.080, enrollments of students attending the academy shall be adjusted so that each participant district receives its proportional share of student enrollments for purposes of funding under this section.

Sec. 304. RCW 28A.505.240 and 2017 3rd sp.s. c 13 s 204 are each amended to read as follows:

(1) As required by RCW 84.52.053(4), before a school district may submit an enrichment levy ~~((including a transportation vehicle enrichment levy))~~ under RCW 84.52.053 to the voters, it must have received approval from the office of the superintendent of public instruction of an expenditure plan for the district's enrichment levy and other local revenues as defined in RCW 28A.150.276. Within thirty days after receiving the plan the office of the superintendent of public instruction must notify the school district whether the spending plan is approved. If the office of the superintendent of public instruction rejects a district's proposed spending plan, then the district may submit a revised spending plan, and the superintendent must approve or reject the revised submission within thirty days. The office of the superintendent of public instruction may approve a spending plan only if it determines that the enrichment levy and other local revenues as defined in RCW 28A.150.276(1) will be used solely for permitted enrichment activities as provided in RCW 28A.150.276(2).

(2)(a) Except as provided in (b) of this subsection, after a school district has received voter approval for a levy for an enrichment levy under RCW 84.52.053, a school district may change its spending plan for the voter-approved levy by submitting a revised spending plan to the office of the superintendent of public instruction for review and approval. To

revise a previously approved spending plan, the district must provide notice and an opportunity for review and comment at an open meeting of the school board, and the board must adopt the revised spending plan by resolution. The board must then submit the plan to the office of the superintendent of public instruction. Within thirty days after receiving the revised spending plan the office must notify the school district whether the revised spending plan is approved. The office of the superintendent of public instruction may approve a revised spending plan only if it determines that the enrichment levy and other local revenues as defined in RCW 28A.150.276(1) will be used solely for permitted enrichment activities as provided in RCW 28A.150.276(2).

(b) If the superintendent has approved expenditures for specific purposes under (a) of this subsection, a district may change the relative amounts to be spent for those respective purposes for the same levy in subsequent years without having to first receive approval for the change from the office of the superintendent of public instruction if the district adopts the change as part of its annual budget proposal after a public hearing under RCW 28A.505.060.

(3) This section applies to taxes levied for collection beginning in calendar year 2020 and thereafter.

NEW SECTION. Sec. 305. A new section is added to chapter 84.52 RCW to read as follows:

For districts in a high/nonhigh relationship, if the district is subject to the maximum per pupil limit under RCW 84.52.0531, the high school district's maximum levy amount must be reduced by an amount equal to the estimated amount of the nonhigh payment due to the high school district under RCW 28A.545.030(3) and 28A.545.050 for the school year commencing the year of the levy.

Sec. 306. RCW 84.52.053 and 2017 3rd sp.s. c 13 s 201 are each amended to read as follows:

(1) The limitations imposed by RCW 84.52.050 through 84.52.056, and 84.52.043 shall not prevent the levy of taxes by school districts, when authorized so to do by the voters of such school district in the manner and for the purposes and number of years allowable under Article VII, section 2(a) and Article IX, section 1 of the Constitution of this state. Elections for such taxes shall be held in the year in which the levy is made or, in the case of propositions authorizing two-year through four-year levies for enrichment funding for a school district, authorizing two-year levies for transportation vehicle funds established in RCW 28A.160.130 (~~through calendar year 2019, authorizing two-year levies for transportation vehicle enrichment beginning with calendar year 2020,~~) or authorizing two-year through six-year levies to support the construction, modernization, or remodeling of school facilities, which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the year in which the first annual levy is made. School district levies authorized under this section shall only be used for enrichment beyond the state-provided funding in the omnibus appropriations act for the basic education program components under RCW 28A.150.200, 28A.150.220, 28A.150.260, 28A.150.390, or 28A.160.180.

(2)(a) Once additional tax levies have been authorized for enrichment funding for a school district for a two-year through four-year period as provided under subsection (1) of this section, no further additional tax levies for enrichment funding for the district for that period may be authorized, except for additional levies to provide for subsequently enacted increases affecting the district's maximum levy.

(b) Notwithstanding (a) of this subsection, any school district that is required to annex or receive territory pursuant to a dissolution of a financially insolvent school district pursuant to

RCW 28A.315.225 may call either a replacement or supplemental levy election within the school district, including the territory annexed or transferred, as follows:

(i) An election for a proposition authorizing two-year through four-year levies for enrichment funding for a school district may be called and held before the effective date of dissolution to replace existing enrichment levies and to provide for increases due to the dissolution.

(ii) An election for a proposition authorizing additional tax levies may be called and held before the effective date of dissolution to provide for increases due to the dissolution.

(iii) In the event a replacement levy election under (b)(i) of this subsection is held but does not pass, the affected school district may subsequently hold a supplemental levy election pursuant to (b)(ii) of this subsection if the supplemental levy election is held before the effective date of dissolution. In the event a supplemental levy election is held under (b)(ii) of this subsection but does not pass, the affected school district may subsequently hold a replacement levy election pursuant to (b)(i) of this subsection if the replacement levy election is held before the effective date of dissolution. Failure of a replacement levy or supplemental levy election does not affect any previously approved and existing enrichment levy within the affected school district or districts.

(c) For the purpose of applying the limitation of this subsection (2), a two-year through six-year levy to support the construction, modernization, or remodeling of school facilities shall not be deemed to be a tax levy for enrichment funding for a school district.

(3) A special election may be called and the time therefor fixed by the board of school directors, by giving notice thereof by publication in the manner provided by law for giving notices of general elections, at which special election the proposition authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "yes" and those opposed thereto to vote "no."

(4)(a) Beginning September 1, (~~2019~~) 2018, school districts may use enrichment levies (~~and transportation vehicle enrichment levies~~) solely to enrich the state's statutory program of basic education as authorized under RCW 28A.150.276.

(b) Beginning with propositions for enrichment levies (~~and transportation vehicle enrichment levies~~) for collection in calendar year 2020 and thereafter, a district must receive approval of an enrichment levy expenditure plan from the superintendent of public instruction under RCW 28A.505.240 before submission of the proposition to the voters.

Sec. 307. RCW 84.52.0531 and 2017 3rd sp.s. c 13 s 203 are each amended to read as follows:

(1) Beginning with taxes levied for collection in 2019, the maximum dollar amount which may be levied by or for any school district for enrichment levies under RCW 84.52.053 is equal to the lesser of one dollar and fifty cents per thousand dollars of the assessed value of property in the school district or the maximum per-pupil limit.

(2) The definitions in this subsection apply to this section unless the context clearly requires otherwise.

(a) For the purpose of this section, "inflation" means ((inflation as defined in RCW 84.55.005)), for any school year, the rate of the yearly increase of the previous calendar year's annual average consumer price index for all urban consumers, Seattle area, using the official current base compiled by the bureau of labor statistics, United States department of labor.

(b) "Maximum per-pupil limit" means two thousand five hundred dollars, multiplied by the number of average annual resident full-time equivalent students enrolled in the school

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

district in the prior school year. Beginning with property taxes levied for collection in 2020, the maximum per-pupil limit shall be increased by inflation.

(c) "Prior school year" means the most recent school year completed prior to the year in which the levies are to be collected.

(d) "Resident" means a student who:

(i) Resides within the geographic boundaries of the school district; or

(ii) Transfers into the district by choice under RCW 28A.225.225; except students who participate in an online course or online school program as defined in RCW 28A.250.010, and do not also attend a school within the district or receive direct instruction from district certificated instructional staff, are excluded from the definition.

(3) The home district of a student who transfers into another district by choice under chapter 28A.225 RCW shall not receive levy revenues under this section.

(4) For districts in a high/nonhigh relationship, the enrollments of the nonhigh resident students attending the high school shall only be counted by the nonhigh school districts for purposes of funding under this section.

(5) For school districts participating in an innovation academy cooperative established under RCW 28A.340.080, enrollments of students attending the academy shall be adjusted so that each participant district receives its proportional share of student enrollments for purposes of funding under this section.

(6) Beginning with propositions for enrichment levies for collection in calendar year 2020 and thereafter, a district must receive approval of an enrichment levy expenditure plan under RCW 28A.505.240 before submission of the proposition to the voters.

~~((4))~~ (7) The superintendent of public instruction shall develop rules and regulations and inform school districts of the pertinent data necessary to carry out the provisions of this section.

~~((5))~~ (8) Beginning with taxes levied for collection in ~~(2020)~~ 2018, enrichment levy revenues must be deposited in a separate subfund of the school district's general fund pursuant to RCW 28A.320.330, and are subject to the restrictions of RCW 28A.150.276 and the audit requirements of RCW 43.09.2856.

~~((6))~~ (9) Funds collected from ~~((transportation vehicle enrichment levies shall not be subject to the levy limitations in))~~ levies for transportation vehicles, construction, modernization, or remodeling of school facilities as established in RCW 84.52.053 are not subject to the levy limitations in subsections (1) through (6) of this section.

Sec. 308. RCW 84.52.054 and 2007 c 54 s 27 are each amended to read as follows:

(1) The additional tax provided for in Article VII, section 2 of the state Constitution, and specifically authorized by RCW 84.52.052, 84.52.053, 84.52.0531, and 84.52.130, shall be set forth in terms of dollars on the ballot of the proposition to be submitted to the voters except as provided in subsection (2) of this section, together with an estimate of the dollar rate of tax levy that will be required to produce the dollar amount; and the county assessor, in spreading this tax upon the rolls, shall determine the eventual dollar rate required to produce the amount of dollars so voted upon, regardless of the estimate of dollar rate of tax levy carried in said proposition. In the case of a school district or fire protection district proposition for a particular period, the dollar amount and the corresponding estimate of the dollar rate of tax levy shall be set forth for each of the years in that period. The dollar amount for each annual levy in the particular period may be equal or in different amounts.

(2) For school districts levying the maximum enrichment funding levy rate of one dollar and fifty cents as authorized by

RCW 84.52.053 and 84.52.0531, the additional tax shall be set forth in terms of the dollar rate of tax levy on the ballot of the proposition to be submitted to the voters.

PART IV: OTHER POLICIES

NEW SECTION. Sec. 401. (1) For the 2018–19 and 2019–20 school years, a school district qualifies for a hold harmless payment if the sum of the school district's state basic education allocations plus its enrichment levy and local effort assistance under chapter 13, Laws of 2017 3rd sp. sess. is less than the sum of state basic education allocations, local maintenance and operation levy, and local effort assistance provided under the law as it existed on January 1, 2017. For the purposes of this section, the local levy is limited to the lesser of the voter-approved levy as of January 1, 2017, or the maximum levy allowed under the law as of January 1, 2017.

(2) This section expires December 31, 2020.

Sec. 402. RCW 28A.150.392 and 2017 3rd sp.s. c 13 s 407 are each amended to read as follows:

(1)(a) To the extent necessary, funds shall be made available for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided through the special education funding formula under RCW 28A.150.390.

(b) If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in any fiscal year, then the superintendent shall expend all available federal discretionary funds necessary to meet this need.

(2) Safety net funds shall be awarded by the state safety net oversight committee subject to the following conditions and limitations:

(a) The committee shall award additional funds for districts that can convincingly demonstrate that all legitimate expenditures for special education exceed all available revenues from state funding formulas.

(b) In the determination of need, the committee shall consider additional available revenues from federal sources.

(c) Differences in program costs attributable to district philosophy(~~(-service delivery choice,))~~ or accounting practices are not a legitimate basis for safety net awards.

(d) In the determination of need, the committee shall require that districts demonstrate that they are maximizing their eligibility for all state revenues related to services for special education-eligible students and all federal revenues from federal impact aid, medicaid, and the individuals with disabilities education act-Part B and appropriate special projects. Awards associated with (e) and (f) of this subsection shall not exceed the total of a district's specific determination of need.

(e) The committee shall then consider the extraordinary high cost needs of one or more individual special education students. Differences in costs attributable to district philosophy(~~(-service delivery choice,))~~ or accounting practices are not a legitimate basis for safety net awards.

(f) Using criteria developed by the committee, the committee shall then consider extraordinary costs associated with communities that draw a larger number of families with children in need of special education services, which may include consideration of proximity to group homes, military bases, and regional hospitals. Safety net awards under this subsection (2)(f) shall be adjusted to reflect amounts awarded under (e) of this subsection.

(g) The maximum allowable indirect cost for calculating safety net eligibility may not exceed the federal restricted indirect cost rate for the district plus one percent.

(h) Safety net awards shall be adjusted based on the percent of

potential medicaid eligible students billed as calculated by the superintendent of public instruction in accordance with chapter 318, Laws of 1999.

(i) Safety net awards must be adjusted for any audit findings or exceptions related to special education funding.

(3) The superintendent of public instruction shall adopt such rules and procedures as are necessary to administer the special education funding and safety net award process. By September 1, ~~((2019))~~ 2018, the superintendent shall review and revise the rules to achieve full and complete implementation of the requirements of this subsection and subsection (4) of this section including revisions to the rules that provide easier access by districts to the safety net funds by reducing the required annual threshold that must be exceeded for high cost students and additional flexibility to access community impact awards. Before revising any standards, procedures, or rules, the superintendent shall consult with the office of financial management and the fiscal committees of the legislature. In adopting and revising the rules, the superintendent shall ensure the application process to access safety net funding is streamlined, timelines for submission are not in conflict, feedback to school districts is timely and provides sufficient information to allow school districts to understand how to correct any deficiencies in a safety net application, and that there is consistency between awards approved by school district and by application period. The office of the superintendent of public instruction shall also provide technical assistance to school districts in preparing and submitting special education safety net applications.

(4) On an annual basis, the superintendent shall survey districts regarding their satisfaction with the safety net process and consider feedback from districts to improve the safety net process. Each year by December 1st, the superintendent shall prepare and submit a report to the office of financial management and the appropriate policy and fiscal committees of the legislature that summarizes the survey results and those changes made to the safety net process as a result of the school district feedback.

(5) The safety net oversight committee appointed by the superintendent of public instruction shall consist of:

(a) One staff member from the office of the superintendent of public instruction;

(b) Staff of the office of the state auditor who shall be nonvoting members of the committee; and

(c) One or more representatives from school districts or educational service districts knowledgeable of special education programs and funding.

Sec. 403. RCW 28A.150.415 and 2017 3rd sp.s. c 13 s 105 are each amended to read as follows:

(1) Beginning with the ~~((2018-19))~~ 2019-20 school year, the legislature shall begin phasing in funding for professional learning days for certificated instructional staff. The state allocation must be used solely for the purpose of providing professional learning. At a minimum, the state must allocate funding for:

(a) One professional learning day in the ~~((2018-19))~~ 2019-20 school year;

(b) Two professional learning days in the ~~((2019-20))~~ 2020-21 school year; and

(c) Three professional learning days in the ~~((2020-21))~~ 2021-22 school year.

(2) The office of the superintendent of public instruction shall calculate each school district's professional learning allocation as provided in subsection (1) of this section separate from the minimum state allocation for salaries as specified in RCW 28A.150.410 and associated fringe benefits on the apportionment reports provided to each local educational agency. The

professional learning allocation shall be equal to the proportional increase resulting from adding the professional learning days provided in subsection (1) of this section to the required minimum number of school days in RCW 28A.150.220(5)(a) applied to the school district's minimum state allocation for salaries and associated fringe benefits for certificated instructional staff as specified in the omnibus appropriations act. Professional learning allocations shall be included in per-pupil calculations for programs funded on a per student rate calculation.

(3) Nothing in this section entitles an individual certificated instructional staff to any particular number of professional learning days.

~~((3))~~ (4) Nothing in this section requires a school district to fund additional professional learning in excess of what is funded by this allotment.

(5) The professional learning days must meet the definitions and standards provided in RCW 28A.415.430, 28A.415.432, and 28A.415.434.

(6) The use of the funding provided under this section must be audited as part of the regular financial audits of school districts by the state auditor's office to ensure compliance with the limitations and conditions of this section.

Sec. 404. RCW 28A.710.280 and 2016 c 241 s 128 are each amended to read as follows:

(1) The legislature intends that state funding for charter schools be distributed equitably with state funding provided for other public schools.

(2) For eligible students enrolled in a charter school established and operating in accordance with this chapter, the superintendent of public instruction shall transmit to each charter school an amount calculated as provided in this section and based on the statewide average ~~((staff mix factor))~~ salaries set forth in RCW 28A.150.410 for certificated instructional staff adjusted by the regionalization factor that applies to the school district in which the charter school is geographically located, including any enrichment to those statutory formulae that is specified in the omnibus appropriations act. The amount must be the sum of (a) and (b) of this subsection ~~((, as applicable))~~.

(a) The superintendent shall, for purposes of making distributions under this section, separately calculate and distribute to charter schools moneys appropriated for general apportionment under the same ratios as in RCW 28A.150.260.

(b) The superintendent also shall, for purposes of making distributions under this section, and in accordance with the applicable formulae for categorical programs specified in (b)(i) through (v) of this subsection (2) and any enrichment to those statutory formulae that is specified in the omnibus appropriations act, separately calculate and distribute moneys appropriated by the legislature to charter schools for:

(i) Supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A.165.005 through 28A.165.065;

(ii) Supplemental instruction and services for eligible and enrolled students and exited students whose primary language is other than English through the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080;

(iii) The opportunity for an appropriate education at public expense as defined by RCW 28A.155.020 for all eligible students with disabilities as defined in RCW 28A.155.020;

(iv) Programs for highly capable students under RCW 28A.185.010 through 28A.185.030; and

(v) Pupil transportation services to and from school in accordance with RCW 28A.160.150 through 28A.160.180. Distributions for pupil transportation must be calculated on a per eligible student basis based on the allocation for the previous

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

school year to the school district in which the charter school is located.

(3) The superintendent of public instruction must adopt rules necessary for the distribution of funding required by this section and to comply with federal reporting requirements.

Sec. 405. RCW 28A.715.040 and 2013 c 242 s 5 are each amended to read as follows:

(1) A school that is the subject of a state-tribal education compact must report student enrollment. Reporting must be done in the same manner and use the same definitions of enrolled students and annual average full-time equivalent enrollment as is required of school districts. The reporting requirements in this subsection are required for a school to receive state or federal funding that is allocated based on student characteristics.

(2) Funding for a school that is the subject of a state-tribal education compact shall be apportioned by the superintendent of public instruction according to the schedule established under RCW 28A.510.250, including general apportionment, special education, categorical, and other nonbasic education moneys. Allocations for certificated instructional staff must be based on the statewide average ((staff mix ratio of the school, as calculated by the superintendent of public instruction using the statewide salary allocation schedule and related documents, conditions, and limitations established by the omnibus appropriations act)) salary set forth in RCW 28A.150.410, adjusted by the regionalization factor that applies to the school district in which the school is located. Allocations for classified staff and certificated administrative staff must be based on the salary allocations of the school district in which the school is located(~~(subject to conditions and limitations established by the omnibus appropriations act))~~ as set forth in RCW 28A.150.410, adjusted by the regionalization factor that applies to the school district in which the school is located. Nothing in this section requires a school that is the subject of a state-tribal education compact to use the statewide salary allocation schedule. Such a school is eligible to apply for state grants on the same basis as a school district.

(3) Any moneys received by a school that is the subject of a state-tribal education compact from any source that remain in the school's accounts at the end of any budget year must remain in the school's accounts for use by the school during subsequent budget years.

Sec. 406. RCW 43.09.2856 and 2017 3rd sp.s. c 13 s 503 are each amended to read as follows:

(1) Beginning with the 2019-20 school year, to ensure that school district local revenues are used solely for purposes of enriching the state's statutory program of basic education, the state auditor's regular financial audits of school districts must include a review of the expenditure of school district local revenues for compliance with RCW 28A.150.276, including the spending plan approved by the superintendent of public instruction under RCW 28A.505.240 and its implementation, and any supplemental contracts entered into under RCW 28A.400.200.

(2) If an audit under subsection (1) of this section results in findings that a school district has failed to comply with these requirements, then within ninety days of completing the audit the auditor must report the findings to the superintendent of public instruction, the office of financial management, and the education and operating budget committees of the legislature.

(3) The use of the state allocation provided for professional learning under RCW 28A.150.415 must be audited as part of the regular financial audits of school districts by the state auditor's office to ensure compliance with the limitations and conditions of RCW 28A.150.415.

Sec. 407. RCW 28A.600.310 and 2015 c 202 s 4 are each amended to read as follows:

(1)(a) Eleventh and twelfth grade students or students who have not yet received the credits required for the award of a high school diploma and are eligible to be in the eleventh or twelfth grades may apply to a participating institution of higher education to enroll in courses or programs offered by the institution of higher education.

(b) The course sections and programs offered as running start courses must also be open for registration to matriculated students at the participating institution of higher education and may not be a course consisting solely of high school students offered at a high school campus.

(c) A student receiving home-based instruction enrolling in a public high school for the sole purpose of participating in courses or programs offered by institutions of higher education shall not be counted by the school district in any required state or federal accountability reporting if the student's parents or guardians filed a declaration of intent to provide home-based instruction and the student received home-based instruction during the school year before the school year in which the student intends to participate in courses or programs offered by the institution of higher education. Students receiving home-based instruction under chapter 28A.200 RCW and students attending private schools approved under chapter 28A.195 RCW shall not be required to meet the student learning goals, obtain a certificate of academic achievement or a certificate of individual achievement to graduate from high school, or to master the essential academic learning requirements. However, students are eligible to enroll in courses or programs in participating universities only if the board of directors of the student's school district has decided to participate in the program. Participating institutions of higher education, in consultation with school districts, may establish admission standards for these students. If the institution of higher education accepts a secondary school pupil for enrollment under this section, the institution of higher education shall send written notice to the pupil and the pupil's school district within ten days of acceptance. The notice shall indicate the course and hours of enrollment for that pupil.

(2)(a) In lieu of tuition and fees, as defined in RCW 28B.15.020 and 28B.15.041:

(i) Running start students shall pay to the community or technical college all other mandatory fees as established by each community or technical college and, in addition, the state board for community and technical colleges may authorize a fee of up to ten percent of tuition and fees as defined in RCW 28B.15.020 and 28B.15.041; and

(ii) All other institutions of higher education operating a running start program may charge running start students a fee of up to ten percent of tuition and fees as defined in RCW 28B.15.020 and 28B.15.041 in addition to technology fees.

(b) The fees charged under this subsection (2) shall be prorated based on credit load.

(c) Students may pay fees under this subsection with advanced college tuition payment program tuition units at a rate set by the advanced college tuition payment program governing body under chapter 28B.95 RCW.

(3)(a) The institutions of higher education must make available fee waivers for low-income running start students. Each institution must establish a written policy for the determination of low-income students before offering the fee waiver. A student shall be considered low income and eligible for a fee waiver upon proof that the student is currently qualified to receive free or reduced-price lunch. Acceptable documentation of low-income status may also include, but is not limited to, documentation that

a student has been deemed eligible for free or reduced-price lunches in the last five years, or other criteria established in the institution's policy.

(b) Institutions of higher education, in collaboration with relevant student associations, shall aim to have students who can benefit from fee waivers take advantage of these waivers. Institutions shall make every effort to communicate to students and their families the benefits of the waivers and provide assistance to students and their families on how to apply. Information about waivers shall, to the greatest extent possible, be incorporated into financial aid counseling, admission information, and individual billing statements. Institutions also shall, to the greatest extent possible, use all means of communication, including but not limited to web sites, online catalogues, admission and registration forms, mass email messaging, social media, and outside marketing to ensure that information about waivers is visible, compelling, and reaches the maximum number of students and families that can benefit.

(4) The pupil's school district shall transmit to the institution of higher education an amount per each full-time equivalent college student at statewide uniform rates for vocational and nonvocational students. The superintendent of public instruction shall separately calculate and allocate moneys appropriated for basic education under RCW 28A.150.260 to school districts for purposes of making such payments and for granting school districts seven percent thereof to offset program related costs. ~~((The calculations and allocations shall be based upon the estimated statewide annual average per full-time equivalent high school student allocations under RCW 28A.150.260, excluding small high school enhancements, and applicable rules adopted under chapter 34.05 RCW.))~~

(a) In school year 2017-18, the superintendent of public instruction shall allocate six thousand five hundred seventy dollars per full-time equivalent college student to the pupil's school district. Each school year thereafter, this allocation shall be increased by the rate of inflation, as defined in RCW 28A.400.205.

(b) For running start career and technical education students, the superintendent of public instruction shall allocate an additional twelve and one-half percent of the base amount established in (a) of this subsection.

(c) The superintendent of public instruction, participating institutions of higher education, and the state board for community and technical colleges shall consult on the calculation and distribution of the funds. The funds received by the institution of higher education from the school district shall not be deemed tuition or operating fees and may be retained by the institution of higher education. A student enrolled under this subsection shall be counted for the purpose of meeting enrollment targets in accordance with terms and conditions specified in the omnibus appropriations act.

Sec. 408. RCW 28A.505.140 and 2017 3rd sp.s. c 13 s 602 are each amended to read as follows:

(1) Notwithstanding any other provision of law, the superintendent of public instruction shall adopt such rules as will ensure proper budgetary procedures and practices, including monthly financial statements consistent with the provisions of RCW 43.09.200, and this chapter. By the ~~((2019-20))~~ 2018-19 school year, the rules must require school districts to provide separate accounting of state and local revenues to expenditures.

(2) If the superintendent of public instruction determines upon a review of the budget of any district that said budget does not comply with the budget procedures established by this chapter or by rules adopted by the superintendent of public instruction, or the provisions of RCW 43.09.200, the superintendent shall give

written notice of this determination to the board of directors of the local school district.

(3) The local school district, notwithstanding any other provision of law, shall, within thirty days from the date the superintendent of public instruction issues a notice pursuant to subsection (2) of this section, submit a revised budget which meets the requirements of RCW 43.09.200, this chapter, and the rules of the superintendent of public instruction.

Sec. 409. RCW 28A.510.250 and 2017 3rd sp.s. c 13 s 1004 are each amended to read as follows:

(1) On or before the last business day of September 1969 and each month thereafter, the superintendent of public instruction shall apportion from the state general fund to the several educational service districts of the state the proportional share of the total annual amount due and apportionable to such educational service districts for the school districts thereof as follows:

September	.....	9%
October	.....	8%
November	.....	5%
December	.....	9%
January	.....	8.5%
February	.....	((9%))
		<u>8%</u>
March	.....	((9%))
		<u>8%</u>
April	.....	((9%))
		<u>8.5%</u>
May	.....	5%
June	.....	6.0%
July	.....	12.5%
August	.....	((10.0%))
		<u>12.5%</u>

The annual amount due and apportionable shall be the amount apportionable for all apportionment credits estimated to accrue to the schools during the apportionment year beginning September 1st and continuing through August 31st. Appropriations made for school districts for each year of a biennium shall be apportioned according to the schedule set forth in this section for the fiscal year starting September 1st of the then calendar year and ending August 31st of the next calendar year, except as provided in subsection (2) of this section. The apportionment from the state general fund for each month shall be an amount which will equal the amount due and apportionable to the several educational service districts during such month: PROVIDED, That any school district may petition the superintendent of public instruction for an emergency advance of funds which may become apportionable to it but not to exceed ten percent of the total amount to become due and apportionable during the school districts apportionment year. The superintendent of public instruction shall determine if the emergency warrants such advance and if the funds are available therefor. If the superintendent determines in the affirmative, he or she may approve such advance and, at the same time, add such an amount to the apportionment for the educational service district in which the school district is located: PROVIDED, That the emergency advance of funds and the interest earned by school districts on the investment of temporary cash surpluses resulting from obtaining such advance of state funds shall be deducted by the superintendent of public instruction from the remaining amount apportionable to said districts during that apportionment year in which the funds are advanced.

(2) In the 2010-11 school year, the June apportionment payment to school districts shall be reduced by one hundred twenty-eight million dollars, and an additional apportionment

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

payment shall be made on July 1, 2011, in the amount of one hundred twenty-eight million dollars. This July 1st payment shall be in addition to the regularly calculated July apportionment payment.

Sec. 410. 2017 3rd sp.s. c 13 s 1005 (uncodified) is amended to read as follows:

Section 1004 of this act takes effect September 1, ~~((2019))~~ 2018.

NEW SECTION. Sec. 411. The following acts or parts of acts are each repealed:

(1)RCW 28A.415.020 (Credit on salary schedule for approved in-service training, continuing education, and internship) and 2011 1st sp.s. c 18 s 5, 2007 c 319 s 3, 2006 c 263 s 808, 1995 c 284 s 2, 1990 c 33 s 415, & 1987 c 519 s 1;

(2)RCW 28A.415.023 (Credit on salary schedule for approved in-service training, continuing education, or internship—Course content—Rules) and 2012 c 35 s 6 & 2011 1st sp.s. c 18 s 6; and

(3)RCW 28A.415.024 (Credit on salary schedule—Accredited institutions—Verification—Penalty for submitting credits from unaccredited institutions) and 2006 c 263 s 809 & 2005 c 461 s 1.

NEW SECTION. Sec. 412. (1) Section 409 of this act takes effect September 1, 2018.

(2) Sections 303 and 307 of this act take effect January 1, 2019."

On page 1, line 1 of the title, after "provisions;" strike the remainder of the title and insert "amending RCW 28A.150.260, 28A.150.390, 28A.165.055, 28A.150.410, 28A.150.412, 28A.400.006, 28A.400.200, 28A.400.205, 41.56.800, 41.59.800, 28A.150.276, 28A.320.330, 28A.500.015, 28A.505.240, 84.52.053, 84.52.0531, 84.52.054, 28A.150.392, 28A.150.415, 28A.710.280, 28A.715.040, 43.09.2856, 28A.600.310, 28A.505.140, and 28A.510.250; amending 2017 3rd sp.s c 13 s 1005 (uncodified); adding a new section to chapter 28A.160 RCW; adding a new section to chapter 84.52 RCW; creating new sections; repealing RCW 28A.415.020, 28A.415.023, and 28A.415.024; providing effective dates; and providing expiration dates."

MOTION

Senator Braun moved that the following floor amendment no. 672 by Senator Braun be adopted:

On page 1, after line 2 of the amendment, insert the following:

"NEW SECTION. Sec. 1. (1) The legislature finds that major education funding reform legislation (Engrossed House Bill No. 2242) was enacted in 2017, along with the appropriations necessary to support these funding reforms, resulting in unprecedented increases to state K-12 funding allocations. The legislature further finds that estimated 2019-2021 expenditures under Engrossed House Bill No. 2242 compared to 2011-2013 K-12 appropriations will be a 13.2 billion dollar increase—an increase of 98.5 percent. The legislature further finds that the court ruled in its November 15, 2017, order that it is satisfied that the new salary model established by Engrossed House Bill No. 2242 provides for full state funding of basic education salaries sufficient to recruit and retain competent teachers, administrators, and staff consistent with the standards established for constitutional compliance. The legislature further finds that the court took exception that the 2017-2019 budget funds only half of the salary increase called for by the new model by the 2018-19 school year, deferring full funding until the 2019-20 school year. The legislature further finds that the 2017 legislature made

decisions regarding local school district levies based on expectations regarding state and local funding levels as the state transitions to the new funding structure. The legislature further finds that fully implementing state salary allocations in the 2018-19 school year substantially alters the carefully calibrated balance between state and local sources of funding for school districts as the state transitions to the new funding structure.

(2) It is the intent of the legislature to recalibrate the balance of state and local funding for school districts in light of the court's latest order. More specifically, it is the legislature's intent, in its effort to fully comply with the court and bring final closure to *McCleary v. State*, to fully implement the salary allocations in Engrossed House Bill No. 2242 in school year 2018-19, accelerate the implementation of certain accounting and budget transparency requirements, and to reduce local school district levies by an amount equal to the increased state salary allocations that will be made to school districts in school year 2018-19."

On page 27, line 5 of the amendment, after "(4)" insert "In calendar year 2019, local effort assistance distributions under this section may not be reduced due to the reduction in school district levy authority under RCW 84.52.0531(10)."

(5)"

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

On page 31, line 22 of the amendment, after "levies" strike all material through "2020" on line 23 and insert "for collection in calendar year 2020) submitted to the voters in calendar year 2019"

On page 31, line 30 of the amendment, after "amount" strike "which" and insert "((which)) that"

On page 32, line 8 of the amendment, after "limit" strike "shall" and insert "((shall)) must"

On page 32, line 36 of the amendment, after "instruction" strike "shall" and insert "((shall)) must"

On page 33, after line 9 of the amendment, insert the following: "(10) For calendar year 2019, a school district's levy authority must be reduced by the amount of the additional state salary allocation payable to the school district as a result of section 202, chapter . . . , Laws of 2018 (section 202 of this act). The reduction amount under this subsection (10) must be specified on LEAP Document 4 provided on the web site of the legislative evaluation and accountability program committee. State matching funds for local effort assistance under chapter 28A.500 RCW may not be reduced due to the reduction in school district levy authority under this subsection (10)."

On page 45, after line 6 of the amendment, insert the following:

"Sec. 410. RCW 84.56.020 and 2017 c 142 s 1 are each amended to read as follows:

(1) The county treasurer must be the receiver and collector of all taxes extended upon the tax rolls of the county, whether levied for state, county, school, bridge, road, municipal or other purposes, and also of all fines, forfeitures or penalties received by any person or officer for the use of his or her county. No treasurer may accept tax payments or issue receipts for the same until the treasurer has completed the tax roll for the current year's collection and provided notification of the completion of the roll. Notification may be accomplished electronically, by posting a notice in the office, or through other written communication as determined by the treasurer. All real and personal property taxes and assessments made payable by the provisions of this title are due and payable to the county treasurer on or before the thirtieth day of April and, except as provided in this section, are delinquent after that date.

(2) Each tax statement must include a notice that checks for payment of taxes may be made payable to "Treasurer of"

County" or other appropriate office, but tax statements may not include any suggestion that checks may be made payable to the name of the individual holding the office of treasurer nor any other individual.

(3) When the total amount of tax or special assessments on personal property or on any lot, block or tract of real property payable by one person is fifty dollars or more, and if one-half of such tax is paid on or before the thirtieth day of April, the remainder of such tax, except as provided in subsection (5) of this section, is due and payable on or before the following thirty-first day of October and is delinquent after that date.

(4) When the total amount of tax or special assessments on any lot, block or tract of real property or on any mobile home payable by one person is fifty dollars or more, and if one-half of such tax is paid after the thirtieth day of April but before the thirty-first day of October, together with the applicable interest and penalty on the full amount of tax payable for that year, the remainder of such tax, except as provided in subsection (5) of this section, is due and payable on or before the following thirty-first day of October and is delinquent after that date.

(5)(a) For local school property taxes levied under RCW 84.52.0531 due and payable for collection in 2018, the remainder of the tax is due and payable as follows:

(i) The 2018 payment percent is due and payable on or before the thirty-first day of October 2018 and is delinquent after that date;

(ii) The 2019 payment percent is due and payable on or before the thirtieth day of April 2019 and is delinquent after that date; and

(iii) The 2019 payment percent is due and payable on or before the thirty-first day of October 2019 and is delinquent after that date.

(b) The definitions in this subsection (5)(b) apply throughout this subsection (5) unless the context clearly requires otherwise.

(i) "2018 payment percent" means the percentage determined by multiplying the 2019 payment percent by two and subtracting the result from 100 percent.

(ii) "2019 payment percent" means the percentage determined by dividing the reduction amount for the school district as provided in RCW 84.52.0531(10) by the school district's total amount of tax levied under RCW 84.52.0531 for collection in 2018. If the numerator is larger than the denominator, then "2019 payment percent" equals fifty percent. If the denominator is zero, this subsection (5) does not apply.

(6) Except as provided in (c) of this subsection, delinquent taxes under this section are subject to interest at the rate of twelve percent per annum computed on a monthly basis on the amount of tax delinquent from the date of delinquency until paid. Interest must be calculated at the rate in effect at the time of the tax payment, regardless of when the taxes were first delinquent. In addition, delinquent taxes under this section are subject to penalties as follows:

(a) A penalty of three percent of the amount of tax delinquent is assessed on the tax delinquent on June 1st of the year in which the tax is due.

(b) An additional penalty of eight percent is assessed on the delinquent tax amount on December 1st of the year in which the tax is due.

(c) If a taxpayer is successfully participating in a payment agreement under subsection ~~((42))~~ (13)(b) of this section or a partial payment program pursuant to subsection ~~((43))~~ (14) of this section, the county treasurer may not assess additional penalties on delinquent taxes that are included within the payment agreement. Interest and penalties that have been assessed prior to the payment agreement remain due and payable as provided in the payment agreement.

~~((6))~~ (7)(a) When real property taxes become delinquent and prior to the filing of the certificate of delinquency, the treasurer is authorized to assess and collect tax foreclosure avoidance costs.

(b) For the purposes of this section, "tax foreclosure avoidance costs" means those direct costs associated with the administration of properties subject to and prior to foreclosure. Tax foreclosure avoidance costs include:

(i) Compensation of employees for the time devoted to administering the avoidance of property foreclosure; and

(ii) The cost of materials, services, or equipment acquired, consumed, or expended in administering tax foreclosure avoidance prior to the filing of a certificate of delinquency.

(c) When tax foreclosure avoidance costs are collected, such costs must be credited to the county treasurer service fund account, except as otherwise directed.

(d) For purposes of chapter 84.64 RCW, any taxes, interest, or penalties deemed delinquent under this section remain delinquent until such time as all taxes, interest, and penalties for the tax year in which the taxes were first due and payable have been paid in full.

~~((7))~~ (8) Subsection ~~((5))~~ (6) of this section notwithstanding, no interest or penalties may be assessed during any period of armed conflict regarding delinquent taxes imposed on the personal residences owned by active duty military personnel who are participating as part of one of the branches of the military involved in the conflict and assigned to a duty station outside the territorial boundaries of the United States.

~~((8))~~ (9) During a state of emergency declared under RCW 43.06.010(12), the county treasurer, on his or her own motion or at the request of any taxpayer affected by the emergency, may grant extensions of the due date of any taxes payable under this section as the treasurer deems proper.

~~((9))~~ (10) All collections of interest on delinquent taxes must be credited to the county current expense fund.

~~((40))~~ (11) For purposes of this chapter, "interest" means both interest and penalties unless the context clearly requires otherwise.

~~((44))~~ (12) The direct cost of foreclosure and sale of real property, and the direct fees and costs of distraint and sale of personal property, for delinquent taxes, must, when collected, be credited to the operation and maintenance fund of the county treasurer prosecuting the foreclosure or distraint or sale; and must be used by the county treasurer as a revolving fund to defray the cost of further foreclosure, distraint, and sale because of delinquent taxes without regard to budget limitations and not subject to indirect costs of other charges.

~~((42))~~ (13)(a) For purposes of this chapter, and in accordance with this section and RCW 36.29.190, the treasurer may collect taxes, assessments, fees, rates, interest, and charges by electronic billing and payment. Electronic billing and payment may be used as an option by the taxpayer, but the treasurer may not require the use of electronic billing and payment. Electronic bill presentment and payment may be on a monthly or other periodic basis as the treasurer deems proper for delinquent tax year payments only or for prepayments of current tax. All prepayments must be paid in full by the due date specified in (c) of this subsection. Payments on past due taxes must include collection of the oldest delinquent year, which includes interest and taxes within a twelve-month period, prior to filing a certificate of delinquency under chapter 84.64 RCW or distraint pursuant to RCW 84.56.070.

(b) The treasurer may provide, by electronic means or otherwise, a payment agreement that provides for payment of current year taxes, inclusive of prepayment collection charges. The treasurer may provide, by electronic means or otherwise, a payment agreement for payment of past due delinquencies, which must also require current year taxes to be paid timely. The

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

payment agreement must be signed by the taxpayer and treasurer prior to the sending of an electronic or alternative bill, which includes a payment plan for current year taxes. The treasurer may accept partial payment of current and delinquent taxes including interest and penalties using electronic bill presentment and payments.

(c) All taxes upon real and personal property made payable by the provisions of this title are due and payable to the treasurer on or before the thirtieth day of April and, except as otherwise provided in this section, are delinquent after that date. ~~((The))~~ Except as provided in subsection (5) of this section, any remainder of the tax is due and payable on or before the following thirty-first of October and is delinquent after that date. All other assessments, fees, rates, and charges are delinquent after the due date.

(d) A county treasurer may authorize payment of past due property taxes, penalties, and interest under this chapter by electronic funds transfers on a monthly basis. Delinquent taxes are subject to interest and penalties, as provided in subsection ~~((5))~~ (6) of this section.

(e) The treasurer must pay any collection costs, investment earnings, or both on past due payments or prepayments to the credit of a county treasurer service fund account to be created and used only for the payment of expenses incurred by the treasurer, without limitation, in administering the system for collecting prepayments.

~~((43))~~ (14) In addition to the payment program in subsection ~~((42))~~ (13)(b) of this section, the treasurer may accept partial payment of current and delinquent taxes including interest and penalties by any means authorized.

~~((14) For purposes of this section unless the context clearly requires otherwise, the following definitions apply:))~~ (15) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Electronic billing and payment" means statements, invoices, or bills that are created, delivered, and paid using the internet. The term includes an automatic electronic payment from a person's checking account, debit account, or credit card.

(b) "Internet" has the same meaning as provided in RCW 19.270.010.

(c) "Remainder of the tax" means the remaining tax due after at least one-half of the tax due for the year is paid by April 30th of the year in which the taxes are due, or after at least one-half of the tax due for the year plus applicable penalties and interest is paid after April 30th but before October 31st of the year in which the tax is due.

Sec. 411. RCW 36.35.110 and 2013 c 221 s 2 are each amended to read as follows:

(1) No claims are allowed against the county from any municipality, school district, road district or other taxing district for taxes levied on property acquired by the county by tax deed under the provisions of this chapter, but all taxes must at the time of deeding the property be thereby canceled. However, the proceeds of any sale of any property acquired by the county by tax deed must first be applied to reimburse the county for the costs of foreclosure and sale. The remainder of the proceeds, if any, must be applied to pay any amounts deferred under chapter 84.37 or 84.38 RCW on the property, including accrued interest, and outstanding at the time the county acquired the property by tax deed. The remainder of the proceeds, if any, must be justly apportioned to the various funds existing at the date of the sale, in the territory in which such property is located, according to the tax levies of the year last in process of collection.

(2) For purposes of this section, "costs of foreclosure and sale" means those costs of foreclosing on the property that, when

collected, are subject to RCW 84.56.020~~((9))~~ (12), and the direct costs incurred by the county in selling the property.

NEW SECTION. Sec. 412. The office of the superintendent of public instruction may waive the requirements to implement the changes in sections 302 and 408 of this act by the 2018-19 school year if the school district can reasonably show undue hardship."

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

On page 46, line 1 of the title amendment, after "28A.505.140," strike "and 28A.510.250" and insert "28A.510.250, 84.56.020, and 36.35.110"

Senators Braun and Fain spoke in favor of adoption of the amendment to the striking amendment.

Senators Rolfes and Ranker spoke against adoption of the amendment to the striking amendment.

Senator Schoesler spoke on adoption of the amendment to the striking amendment.

MOTION

Senator Braun demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

The President declared the question before the Senate to be the adoption of the amendment by Senator Braun on page 1, after line 2 to Engrossed Second Substitute Senate Bill No. 6362.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Braun and the amendment was not adopted by the following vote: Yeas, 22; Nays, 25; Absent, 1; Excused, 1.

Voting yea: Senators Angel, Bailey, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, Miloscia, O'Ban, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Warnick, Wilson and Zeiger

Voting nay: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Lias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko, Van De Wege and Wellman

Absent: Senator Walsh

Excused: Senator Baumgartner.

MOTION

On motion of Senator Bailey, Senator Walsh was excused.

MOTION

Senator Braun moved that the following floor amendment no. 673 by Senator Braun be adopted:

On page 1, after line 2 of the amendment, insert the following:

NEW SECTION. Sec. 1. (1) The legislature finds that major education funding reform legislation (Engrossed House Bill No. 2242) was enacted in 2017, along with the appropriations necessary to support these funding reforms, resulting in unprecedented increases to state K-12 funding allocations. The legislature further finds that estimated 2019-2021 expenditures under Engrossed House Bill No. 2242 compared to 2011-2013 K-12 appropriations will be a 13.2 billion dollar increase—an

increase of 98.5 percent. The legislature further finds that the court ruled in its November 15, 2017, order that it is satisfied that the new salary model established by Engrossed House Bill No. 2242 provides for full state funding of basic education salaries sufficient to recruit and retain competent teachers, administrators, and staff consistent with the standards established for constitutional compliance. The legislature further finds that the court took exception that the 2017-2019 budget funds only half of the salary increase called for by the new model by the 2018-19 school year, deferring full funding until the 2019-20 school year. The legislature further finds that the 2017 legislature made decisions regarding local school district levies based on expectations regarding state and local funding levels as the state transitions to the new funding structure. The legislature further finds that fully implementing state salary allocations in the 2018-19 school year substantially alters the carefully calibrated balance between state and local sources of funding for school districts as the state transitions to the new funding structure.

(2) It is the intent of the legislature to recalibrate the balance of state and local funding for school districts in light of the court's latest order. More specifically, it is the legislature's intent, in its effort to fully comply with the court and bring final closure to *McCleary v. State*, to fully implement the salary allocations in Engrossed House Bill No. 2242 in school year 2018-19, accelerate the implementation of certain accounting and budget transparency requirements, and to reduce local school district levies by an amount equal to the increased state salary allocations that will be made to school districts in school year 2018-19."

On page 27, line 5 of the amendment, after "(4)" insert "In calendar year 2019, local effort assistance distributions under this section may not be reduced due to the reduction in school district levy authority under RCW 84.52.0531(10).

(5)"

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

On page 31, line 22 of the amendment, after "~~levies~~" strike all material through "2020" on line 23 and insert "for collection in calendar year 2020) submitted to the voters in calendar year 2019"

On page 31, line 30 of the amendment, after "amount" strike "which" and insert "((which)) that"

On page 32, line 8 of the amendment, after "limit" strike "shall" and insert "((shall)) must"

On page 32, line 36 of the amendment, after "instruction" strike "shall" and insert "((shall)) must"

On page 33, after line 9 of the amendment, insert the following:
"(10) For calendar year 2019, a school district's levy authority must be reduced by ninety percent of the amount of the additional state salary allocation payable to the school district as a result of section 202, chapter . . ., Laws of 2018 (section 202 of this act). The reduction amount under this subsection (10) must be specified on LEAP Document 4 provided on the web site of the legislative evaluation and accountability program committee. State matching funds for local effort assistance under chapter 28A.500 RCW may not be reduced due to the reduction in school district levy authority under this subsection (10)."

On page 45, after line 6 of the amendment, insert the following:

"Sec. 410. RCW 84.56.020 and 2017 c 142 s 1 are each amended to read as follows:

(1) The county treasurer must be the receiver and collector of all taxes extended upon the tax rolls of the county, whether levied for state, county, school, bridge, road, municipal or other purposes, and also of all fines, forfeitures or penalties received by any person or officer for the use of his or her county. No treasurer may accept tax payments or issue receipts for the same until the

treasurer has completed the tax roll for the current year's collection and provided notification of the completion of the roll. Notification may be accomplished electronically, by posting a notice in the office, or through other written communication as determined by the treasurer. All real and personal property taxes and assessments made payable by the provisions of this title are due and payable to the county treasurer on or before the thirtieth day of April and, except as provided in this section, are delinquent after that date.

(2) Each tax statement must include a notice that checks for payment of taxes may be made payable to "Treasurer of County" or other appropriate office, but tax statements may not include any suggestion that checks may be made payable to the name of the individual holding the office of treasurer nor any other individual.

(3) When the total amount of tax or special assessments on personal property or on any lot, block or tract of real property payable by one person is fifty dollars or more, and if one-half of such tax is paid on or before the thirtieth day of April, the remainder of such tax, except as provided in subsection (5) of this section, is due and payable on or before the following thirty-first day of October and is delinquent after that date.

(4) When the total amount of tax or special assessments on any lot, block or tract of real property or on any mobile home payable by one person is fifty dollars or more, and if one-half of such tax is paid after the thirtieth day of April but before the thirty-first day of October, together with the applicable interest and penalty on the full amount of tax payable for that year, the remainder of such tax, except as provided in subsection (5) of this section, is due and payable on or before the following thirty-first day of October and is delinquent after that date.

(5)(a) For local school property taxes levied under RCW 84.52.0531 due and payable for collection in 2018, the remainder of the tax is due and payable as follows:

(i) The 2018 payment percent is due and payable on or before the thirty-first day of October 2018 and is delinquent after that date;

(ii) The 2019 payment percent is due and payable on or before the thirtieth day of April 2019 and is delinquent after that date; and

(iii) The 2019 payment percent is due and payable on or before the thirty-first day of October 2019 and is delinquent after that date.

(b) The definitions in this subsection (5)(b) apply throughout this subsection (5) unless the context clearly requires otherwise.

(i) "2018 payment percent" means the percentage determined by multiplying the 2019 payment percent by two and subtracting the result from 100 percent.

(ii) "2019 payment percent" means the percentage determined by dividing the reduction amount for the school district as provided in RCW 84.52.0531(10) by the school district's total amount of tax levied under RCW 84.52.0531 for collection in 2018. If the numerator is larger than the denominator, then "2019 payment percent" equals fifty percent. If the denominator is zero, this subsection (5) does not apply.

(6) Except as provided in (c) of this subsection, delinquent taxes under this section are subject to interest at the rate of twelve percent per annum computed on a monthly basis on the amount of tax delinquent from the date of delinquency until paid. Interest must be calculated at the rate in effect at the time of the tax payment, regardless of when the taxes were first delinquent. In addition, delinquent taxes under this section are subject to penalties as follows:

(a) A penalty of three percent of the amount of tax delinquent is assessed on the tax delinquent on June 1st of the year in which the tax is due.

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

(b) An additional penalty of eight percent is assessed on the delinquent tax amount on December 1st of the year in which the tax is due.

(c) If a taxpayer is successfully participating in a payment agreement under subsection ~~((42))~~ (13)(b) of this section or a partial payment program pursuant to subsection ~~((43))~~ (14) of this section, the county treasurer may not assess additional penalties on delinquent taxes that are included within the payment agreement. Interest and penalties that have been assessed prior to the payment agreement remain due and payable as provided in the payment agreement.

~~((6))~~ (7)(a) When real property taxes become delinquent and prior to the filing of the certificate of delinquency, the treasurer is authorized to assess and collect tax foreclosure avoidance costs.

(b) For the purposes of this section, "tax foreclosure avoidance costs" means those direct costs associated with the administration of properties subject to and prior to foreclosure. Tax foreclosure avoidance costs include:

(i) Compensation of employees for the time devoted to administering the avoidance of property foreclosure; and

(ii) The cost of materials, services, or equipment acquired, consumed, or expended in administering tax foreclosure avoidance prior to the filing of a certificate of delinquency.

(c) When tax foreclosure avoidance costs are collected, such costs must be credited to the county treasurer service fund account, except as otherwise directed.

(d) For purposes of chapter 84.64 RCW, any taxes, interest, or penalties deemed delinquent under this section remain delinquent until such time as all taxes, interest, and penalties for the tax year in which the taxes were first due and payable have been paid in full.

~~((7))~~ (8) Subsection ~~((5))~~ (6) of this section notwithstanding, no interest or penalties may be assessed during any period of armed conflict regarding delinquent taxes imposed on the personal residences owned by active duty military personnel who are participating as part of one of the branches of the military involved in the conflict and assigned to a duty station outside the territorial boundaries of the United States.

~~((8))~~ (9) During a state of emergency declared under RCW 43.06.010(12), the county treasurer, on his or her own motion or at the request of any taxpayer affected by the emergency, may grant extensions of the due date of any taxes payable under this section as the treasurer deems proper.

~~((9))~~ (10) All collections of interest on delinquent taxes must be credited to the county current expense fund.

~~((10))~~ (11) For purposes of this chapter, "interest" means both interest and penalties unless the context clearly requires otherwise.

~~((11))~~ (12) The direct cost of foreclosure and sale of real property, and the direct fees and costs of distraint and sale of personal property, for delinquent taxes, must, when collected, be credited to the operation and maintenance fund of the county treasurer prosecuting the foreclosure or distraint or sale; and must be used by the county treasurer as a revolving fund to defray the cost of further foreclosure, distraint, and sale because of delinquent taxes without regard to budget limitations and not subject to indirect costs of other charges.

~~((12))~~ (13)(a) For purposes of this chapter, and in accordance with this section and RCW 36.29.190, the treasurer may collect taxes, assessments, fees, rates, interest, and charges by electronic billing and payment. Electronic billing and payment may be used as an option by the taxpayer, but the treasurer may not require the use of electronic billing and payment. Electronic bill presentment and payment may be on a monthly or other periodic basis as the treasurer deems proper for delinquent tax year payments only or

for prepayments of current tax. All prepayments must be paid in full by the due date specified in (c) of this subsection. Payments on past due taxes must include collection of the oldest delinquent year, which includes interest and taxes within a twelve-month period, prior to filing a certificate of delinquency under chapter 84.64 RCW or distraint pursuant to RCW 84.56.070.

(b) The treasurer may provide, by electronic means or otherwise, a payment agreement that provides for payment of current year taxes, inclusive of prepayment collection charges. The treasurer may provide, by electronic means or otherwise, a payment agreement for payment of past due delinquencies, which must also require current year taxes to be paid timely. The payment agreement must be signed by the taxpayer and treasurer prior to the sending of an electronic or alternative bill, which includes a payment plan for current year taxes. The treasurer may accept partial payment of current and delinquent taxes including interest and penalties using electronic bill presentment and payments.

(c) All taxes upon real and personal property made payable by the provisions of this title are due and payable to the treasurer on or before the thirtieth day of April and, except as otherwise provided in this section, are delinquent after that date. ~~((The))~~ Except as provided in subsection (5) of this section, any remainder of the tax is due and payable on or before the following thirty-first of October and is delinquent after that date. All other assessments, fees, rates, and charges are delinquent after the due date.

(d) A county treasurer may authorize payment of past due property taxes, penalties, and interest under this chapter by electronic funds transfers on a monthly basis. Delinquent taxes are subject to interest and penalties, as provided in subsection ~~((5))~~ (6) of this section.

(e) The treasurer must pay any collection costs, investment earnings, or both on past due payments or prepayments to the credit of a county treasurer service fund account to be created and used only for the payment of expenses incurred by the treasurer, without limitation, in administering the system for collecting prepayments.

~~((13))~~ (14) In addition to the payment program in subsection ~~((12))~~ (13)(b) of this section, the treasurer may accept partial payment of current and delinquent taxes including interest and penalties by any means authorized.

~~((14) For purposes of this section unless the context clearly requires otherwise, the following definitions apply:))~~ (15) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Electronic billing and payment" means statements, invoices, or bills that are created, delivered, and paid using the internet. The term includes an automatic electronic payment from a person's checking account, debit account, or credit card.

(b) "Internet" has the same meaning as provided in RCW 19.270.010.

(c) "Remainder of the tax" means the remaining tax due after at least one-half of the tax due for the year is paid by April 30th of the year in which the taxes are due, or after at least one-half of the tax due for the year plus applicable penalties and interest is paid after April 30th but before October 31st of the year in which the tax is due.

Sec. 411. RCW 36.35.110 and 2013 c 221 s 2 are each amended to read as follows:

(1) No claims are allowed against the county from any municipality, school district, road district or other taxing district for taxes levied on property acquired by the county by tax deed under the provisions of this chapter, but all taxes must at the time of deeding the property be thereby canceled. However, the

proceeds of any sale of any property acquired by the county by tax deed must first be applied to reimburse the county for the costs of foreclosure and sale. The remainder of the proceeds, if any, must be applied to pay any amounts deferred under chapter 84.37 or 84.38 RCW on the property, including accrued interest, and outstanding at the time the county acquired the property by tax deed. The remainder of the proceeds, if any, must be justly apportioned to the various funds existing at the date of the sale, in the territory in which such property is located, according to the tax levies of the year last in process of collection.

(2) For purposes of this section, "costs of foreclosure and sale" means those costs of foreclosing on the property that, when collected, are subject to RCW 84.56.020~~((49))~~ (12), and the direct costs incurred by the county in selling the property.

NEW SECTION. Sec. 412. The office of the superintendent of public instruction may waive the requirements to implement the changes in sections 302 and 408 of this act by the 2018-19 school year if the school district can reasonably show undue hardship."

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

On page 46, line 1 of the title amendment, after "28A.505.140," strike "and 28A.510.250" and insert "28A.510.250, 84.56.020, and 36.35.110"

Senators Braun, Ericksen and Ranker spoke in favor of adoption of the amendment to the striking amendment.

Senator Rolfes spoke against adoption of the amendment to the striking amendment.

POINT OF ORDER

Senator Schoesler: "Thank you Mr. President, I believe the speaker is impugning the motives of this side of the aisle and the public.

RULING BY THE PRESIDENT

President Habib: "Senator Schoesler, I will be the first to cut any senator off who is doing that. Senator Ranker has not yet mentioned, he has not yet mentioned anyone in the room or anyone in the chamber. Senator Ranker, please get to your point and I will admonish everybody, please whether you are reaching the point of impugning motives or not, keep the debate on the topic before the Senate. That is your, those are your rules to debate the matter that is before the Senate. And in deference to members I have not tried to be overly aggressive on this bill but we don't need to re-litigate last year on either side of the aisle. Let's discuss the amendment that Senator Braun has brought before us. Senator Ranker please continue."

Senator Ranker concluded his remarks.

REMARKS BY THE PRESIDENT

President Habib: "Senator Ranker, I am going to ask members, you know, and I remember last year, I was, there were those who did not like when I asked that we not intentionally needle each other with terms like income tax and Senator Ranker I remember, maybe you were on the other side of that discussion. Let's not needle one another with terms like quote Republican property tax or for that matter Democrat anything tax. Whatever, you all know what you are doing. Let's be respectful. Let's not re-litigate the past. Let's have a debate on the amendment that Senator Braun has brought before us. This is

public policy. It deserves to be debated and let's debate it."

Senator Fortunato spoke in favor of adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 673 by Senator Braun on page 1, after line 2 to Second Substitute Senate Bill No. 6362.

The motion by Senator Braun did not carry and floor amendment no. 673 was not adopted by voice vote.

MOTION

Senator Braun moved that the following floor amendment no. 674 by Senator Braun be adopted:

On page 1, after line 2 of the amendment, insert the following:

"NEW SECTION. Sec. 1. (1) The legislature finds that major education funding reform legislation (Engrossed House Bill No. 2242) was enacted in 2017, along with the appropriations necessary to support these funding reforms, resulting in unprecedented increases to state K-12 funding allocations. The legislature further finds that estimated 2019-2021 expenditures under Engrossed House Bill No. 2242 compared to 2011-2013 K-12 appropriations will be a 13.2 billion dollar increase—an increase of 98.5 percent. The legislature further finds that the court ruled in its November 15, 2017, order that it is satisfied that the new salary model established by Engrossed House Bill No. 2242 provides for full state funding of basic education salaries sufficient to recruit and retain competent teachers, administrators, and staff consistent with the standards established for constitutional compliance. The legislature further finds that the court took exception that the 2017-2019 budget funds only half of the salary increase called for by the new model by the 2018-19 school year, deferring full funding until the 2019-20 school year. The legislature further finds that the 2017 legislature made decisions regarding local school district levies based on expectations regarding state and local funding levels as the state transitions to the new funding structure. The legislature further finds that fully implementing state salary allocations in the 2018-19 school year substantially alters the carefully calibrated balance between state and local sources of funding for school districts as the state transitions to the new funding structure.

(2) It is the intent of the legislature to recalibrate the balance of state and local funding for school districts in light of the court's latest order. More specifically, it is the legislature's intent, in its effort to fully comply with the court and bring final closure to *McCleary v. State*, to fully implement the salary allocations in Engrossed House Bill No. 2242 in school year 2018-19, accelerate the implementation of certain accounting and budget transparency requirements, and to reduce local school district levies by an amount equal to the increased state salary allocations that will be made to school districts in school year 2018-19."

On page 27, line 5 of the amendment, after "(4)" insert "In calendar year 2019, local effort assistance distributions under this section may not be reduced due to the reduction in school district levy authority under RCW 84.52.0531(10).

(5)"

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

On page 31, line 22 of the amendment, after "~~levies~~" strike all material through "2020" on line 23 and insert "for collection in calendar year 2020) submitted to the voters in calendar year 2019"

On page 31, line 30 of the amendment, after "amount" strike "which" and insert "~~(which)~~ that"

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

On page 32, line 8 of the amendment, after "limit" strike "shall" and insert "~~((shall))~~ must"

On page 32, line 36 of the amendment, after "instruction" strike "shall" and insert "~~((shall))~~ must"

On page 33, after line 9 of the amendment, insert the following:
"(10) For calendar year 2019, a school district's levy authority must be reduced by seventy-five percent of the amount of the additional state salary allocation payable to the school district as a result of section 202, chapter . . . , Laws of 2018 (section 202 of this act). The reduction amount under this subsection (10) must be specified on LEAP Document 4 provided on the web site of the legislative evaluation and accountability program committee. State matching funds for local effort assistance under chapter 28A.500 RCW may not be reduced due to the reduction in school district levy authority under this subsection (10)."

On page 45, after line 6 of the amendment, insert the following:

"Sec. 410. RCW 84.56.020 and 2017 c 142 s 1 are each amended to read as follows:

(1) The county treasurer must be the receiver and collector of all taxes extended upon the tax rolls of the county, whether levied for state, county, school, bridge, road, municipal or other purposes, and also of all fines, forfeitures or penalties received by any person or officer for the use of his or her county. No treasurer may accept tax payments or issue receipts for the same until the treasurer has completed the tax roll for the current year's collection and provided notification of the completion of the roll. Notification may be accomplished electronically, by posting a notice in the office, or through other written communication as determined by the treasurer. All real and personal property taxes and assessments made payable by the provisions of this title are due and payable to the county treasurer on or before the thirtieth day of April and, except as provided in this section, are delinquent after that date.

(2) Each tax statement must include a notice that checks for payment of taxes may be made payable to "Treasurer of County" or other appropriate office, but tax statements may not include any suggestion that checks may be made payable to the name of the individual holding the office of treasurer nor any other individual.

(3) When the total amount of tax or special assessments on personal property or on any lot, block or tract of real property payable by one person is fifty dollars or more, and if one-half of such tax is paid on or before the thirtieth day of April, the remainder of such tax, except as provided in subsection (5) of this section, is due and payable on or before the following thirty-first day of October and is delinquent after that date.

(4) When the total amount of tax or special assessments on any lot, block or tract of real property or on any mobile home payable by one person is fifty dollars or more, and if one-half of such tax is paid after the thirtieth day of April but before the thirty-first day of October, together with the applicable interest and penalty on the full amount of tax payable for that year, the remainder of such tax, except as provided in subsection (5) of this section, is due and payable on or before the following thirty-first day of October and is delinquent after that date.

(5)(a) For local school property taxes levied under RCW 84.52.0531 due and payable for collection in 2018, the remainder of the tax is due and payable as follows:

(i) The 2018 payment percent is due and payable on or before the thirty-first day of October 2018 and is delinquent after that date;

(ii) The 2019 payment percent is due and payable on or before the thirtieth day of April 2019 and is delinquent after that date; and

(iii) The 2019 payment percent is due and payable on or before

the thirty-first day of October 2019 and is delinquent after that date.

(b) The definitions in this subsection (5)(b) apply throughout this subsection (5) unless the context clearly requires otherwise.

(i) "2018 payment percent" means the percentage determined by multiplying the 2019 payment percent by two and subtracting the result from 100 percent.

(ii) "2019 payment percent" means the percentage determined by dividing the reduction amount for the school district as provided in RCW 84.52.0531(10) by the school district's total amount of tax levied under RCW 84.52.0531 for collection in 2018. If the numerator is larger than the denominator, then "2019 payment percent" equals fifty percent. If the denominator is zero, this subsection (5) does not apply.

(6) Except as provided in (c) of this subsection, delinquent taxes under this section are subject to interest at the rate of twelve percent per annum computed on a monthly basis on the amount of tax delinquent from the date of delinquency until paid. Interest must be calculated at the rate in effect at the time of the tax payment, regardless of when the taxes were first delinquent. In addition, delinquent taxes under this section are subject to penalties as follows:

(a) A penalty of three percent of the amount of tax delinquent is assessed on the tax delinquent on June 1st of the year in which the tax is due.

(b) An additional penalty of eight percent is assessed on the delinquent tax amount on December 1st of the year in which the tax is due.

(c) If a taxpayer is successfully participating in a payment agreement under subsection ~~((42))~~ (13)(b) of this section or a partial payment program pursuant to subsection ~~((43))~~ (14) of this section, the county treasurer may not assess additional penalties on delinquent taxes that are included within the payment agreement. Interest and penalties that have been assessed prior to the payment agreement remain due and payable as provided in the payment agreement.

~~((6))~~ (7)(a) When real property taxes become delinquent and prior to the filing of the certificate of delinquency, the treasurer is authorized to assess and collect tax foreclosure avoidance costs.

(b) For the purposes of this section, "tax foreclosure avoidance costs" means those direct costs associated with the administration of properties subject to and prior to foreclosure. Tax foreclosure avoidance costs include:

(i) Compensation of employees for the time devoted to administering the avoidance of property foreclosure; and

(ii) The cost of materials, services, or equipment acquired, consumed, or expended in administering tax foreclosure avoidance prior to the filing of a certificate of delinquency.

(c) When tax foreclosure avoidance costs are collected, such costs must be credited to the county treasurer service fund account, except as otherwise directed.

(d) For purposes of chapter 84.64 RCW, any taxes, interest, or penalties deemed delinquent under this section remain delinquent until such time as all taxes, interest, and penalties for the tax year in which the taxes were first due and payable have been paid in full.

~~((7))~~ (8) Subsection ~~((5))~~ (6) of this section notwithstanding, no interest or penalties may be assessed during any period of armed conflict regarding delinquent taxes imposed on the personal residences owned by active duty military personnel who are participating as part of one of the branches of the military involved in the conflict and assigned to a duty station outside the territorial boundaries of the United States.

~~((8))~~ (9) During a state of emergency declared under RCW 43.06.010(12), the county treasurer, on his or her own motion or

at the request of any taxpayer affected by the emergency, may grant extensions of the due date of any taxes payable under this section as the treasurer deems proper.

~~((9))~~ (10) All collections of interest on delinquent taxes must be credited to the county current expense fund.

~~((10))~~ (11) For purposes of this chapter, "interest" means both interest and penalties unless the context clearly requires otherwise.

~~((11))~~ (12) The direct cost of foreclosure and sale of real property, and the direct fees and costs of distraint and sale of personal property, for delinquent taxes, must, when collected, be credited to the operation and maintenance fund of the county treasurer prosecuting the foreclosure or distraint or sale; and must be used by the county treasurer as a revolving fund to defray the cost of further foreclosure, distraint, and sale because of delinquent taxes without regard to budget limitations and not subject to indirect costs of other charges.

~~((12))~~ (13)(a) For purposes of this chapter, and in accordance with this section and RCW 36.29.190, the treasurer may collect taxes, assessments, fees, rates, interest, and charges by electronic billing and payment. Electronic billing and payment may be used as an option by the taxpayer, but the treasurer may not require the use of electronic billing and payment. Electronic bill presentment and payment may be on a monthly or other periodic basis as the treasurer deems proper for delinquent tax year payments only or for prepayments of current tax. All prepayments must be paid in full by the due date specified in (c) of this subsection. Payments on past due taxes must include collection of the oldest delinquent year, which includes interest and taxes within a twelve-month period, prior to filing a certificate of delinquency under chapter 84.64 RCW or distraint pursuant to RCW 84.56.070.

(b) The treasurer may provide, by electronic means or otherwise, a payment agreement that provides for payment of current year taxes, inclusive of prepayment collection charges. The treasurer may provide, by electronic means or otherwise, a payment agreement for payment of past due delinquencies, which must also require current year taxes to be paid timely. The payment agreement must be signed by the taxpayer and treasurer prior to the sending of an electronic or alternative bill, which includes a payment plan for current year taxes. The treasurer may accept partial payment of current and delinquent taxes including interest and penalties using electronic bill presentment and payments.

(c) All taxes upon real and personal property made payable by the provisions of this title are due and payable to the treasurer on or before the thirtieth day of April and, except as otherwise provided in this section, are delinquent after that date. ~~((The))~~ Except as provided in subsection (5) of this section, any remainder of the tax is due and payable on or before the following thirty-first of October and is delinquent after that date. All other assessments, fees, rates, and charges are delinquent after the due date.

(d) A county treasurer may authorize payment of past due property taxes, penalties, and interest under this chapter by electronic funds transfers on a monthly basis. Delinquent taxes are subject to interest and penalties, as provided in subsection ~~((5))~~ (6) of this section.

(e) The treasurer must pay any collection costs, investment earnings, or both on past due payments or prepayments to the credit of a county treasurer service fund account to be created and used only for the payment of expenses incurred by the treasurer, without limitation, in administering the system for collecting prepayments.

~~((13))~~ (14) In addition to the payment program in subsection ~~((12))~~ (13)(b) of this section, the treasurer may accept partial payment of current and delinquent taxes including interest and

penalties by any means authorized.

~~((14) For purposes of this section unless the context clearly requires otherwise, the following definitions apply:))~~ (15) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Electronic billing and payment" means statements, invoices, or bills that are created, delivered, and paid using the internet. The term includes an automatic electronic payment from a person's checking account, debit account, or credit card.

(b) "Internet" has the same meaning as provided in RCW 19.270.010.

(c) "Remainder of the tax" means the remaining tax due after at least one-half of the tax due for the year is paid by April 30th of the year in which the taxes are due, or after at least one-half of the tax due for the year plus applicable penalties and interest is paid after April 30th but before October 31st of the year in which the tax is due.

Sec. 411. RCW 36.35.110 and 2013 c 221 s 2 are each amended to read as follows:

(1) No claims are allowed against the county from any municipality, school district, road district or other taxing district for taxes levied on property acquired by the county by tax deed under the provisions of this chapter, but all taxes must at the time of deeding the property be thereby canceled. However, the proceeds of any sale of any property acquired by the county by tax deed must first be applied to reimburse the county for the costs of foreclosure and sale. The remainder of the proceeds, if any, must be applied to pay any amounts deferred under chapter 84.37 or 84.38 RCW on the property, including accrued interest, and outstanding at the time the county acquired the property by tax deed. The remainder of the proceeds, if any, must be justly apportioned to the various funds existing at the date of the sale, in the territory in which such property is located, according to the tax levies of the year last in process of collection.

(2) For purposes of this section, "costs of foreclosure and sale" means those costs of foreclosing on the property that, when collected, are subject to RCW 84.56.020~~((9))~~ (12), and the direct costs incurred by the county in selling the property.

NEW SECTION. **Sec. 412.** The office of the superintendent of public instruction may waive the requirements to implement the changes in sections 302 and 408 of this act by the 2018-19 school year if the school district can reasonably show undue hardship."

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

On page 46, line 1 of the title amendment, after "28A.505.140," strike "and 28A.510.250" and insert "28A.510.250, 84.56.020, and 36.35.110"

Senators Braun and Fain spoke in favor of adoption of the amendment to the striking amendment.

Senators Rolfes and Wellman spoke against adoption of the amendment to the striking amendment.

Senator Chase spoke on adoption of the amendment to the striking amendment.

MOTION

Senator Braun demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

The President declared the question before the Senate to be the adoption of the amendment no. 674 by Senator Braun on page 1, after line 2 to Second Substitute Senate Bill No. 6362.

ROLL CALL

The Secretary called the roll on the adoption of the amendment no. 674 by Senator Braun and the amendment was not adopted by the following vote: Yeas, 22; Nays, 25; Absent, 0; Excused, 2.

Voting yea: Senators Angel, Bailey, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, Miloscia, O'Ban, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Warnick, Wilson and Zeiger

Voting nay: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Lias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko, Van De Wege and Wellman

Excused: Senators Baumgartner and Walsh.

MOTION

Senator Braun moved that the following floor amendment no. 684 by Senator Braun be adopted:

On page 10, line 8 of the amendment, after "means" strike "the" and insert ":

(i) The"

On page 10, line 10 of the amendment, after "percent" insert ";

or
(ii) For school districts with a student enrollment under one thousand students, the actual enrollment percent, if above thirteen and five-tenths percent"

On page 34, line 14 of the amendment, after "28A.150.390." insert "The state allocation for the special education safety net shall be specified in the omnibus appropriations act but must be at least five percent of the total allocated to school districts under RCW 28A.150.390(2)(b)."

On page 35, line 24 of the amendment, after "process." insert "The rules must mandate that when a school district has expended the district's entire state special education allocation then the district is eligible to apply to receive a safety net award. This eligibility does not guarantee that the district will actually receive a safety net award."

Senator Braun spoke in favor of adoption of the amendment to the striking amendment.

Senator Wellman spoke against adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 684 by Senator Braun on page 10, line 8 to Second Substitute Senate Bill No. 6362.

The motion by Senator Braun did not carry and floor amendment no. 684 was not adopted by rising vote.

MOTION

Senator Braun demanded a roll call.

The President declared that one-sixth of the members supported the demand and the demand was sustained.

The President declared the question before the Senate to be the adoption of the amendment by Senator Braun on page 10, line 8 to Second Substitute Senate Bill No. 6362.

ROLL CALL

The Secretary called the roll on the adoption of the amendment by Senator Braun and the amendment was not adopted by the following vote: Yeas, 22; Nays, 25; Absent, 0; Excused, 2.

Voting yea: Senators Angel, Bailey, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, Miloscia, O'Ban, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Warnick, Wilson and Zeiger

Voting nay: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Lias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko, Van De Wege and Wellman

Excused: Senators Baumgartner and Walsh.

MOTION

Senator Becker moved that the following floor amendment no. 686 by Senators Becker and Braun be adopted:

On page 10, beginning on line 13 of the amendment, after "(1)" strike "Subject to the availability of amounts appropriated for this specific purpose, a" and insert "A"

On page 10, after line 21 of the amendment, insert the following:

"(3) The minimum state allocation for the transportation alternative funding grant program under this section shall be twenty million dollars annually."

Senators Becker and Braun spoke in favor of adoption of the amendment to the striking amendment.

Senator Wellman spoke against adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 686 by Senators Becker and Braun on page 10, line 13 to Second Substitute Senate Bill No. 6362.

The motion by Senator Becker did not carry and floor amendment no. 686 was not adopted by voice vote.

MOTION

Senator Miloscia moved that the following floor amendment no. 671 by Senators Fain, Keiser and Miloscia be adopted:

On page 15, after line 18 of the amendment, insert the following:

"**Sec. 204.** 2017 3rd sp.s. c 1 s 503 (uncodified) is amended to read as follows:

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 House Bill No. 2242 (fully funding the program of basic education), RCW 28A.150.260, and under section 502 of this act:

(a) For the 2017-18 school year, 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.

(b) For the 2017-18 school year, 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.

(c) For the 2018-19 school year salary allocations for certificated instructional staff, certificated administrative staff, and classified staff units are determined for each school district by multiplying the statewide minimum salary allocation for each staff type by the school district's regionalization factor shown in LEAP Document 3.

Statewide Minimum Salary Allocation	
For School Year 2018-19	
Certificated Instructional Staff	\$59,333.55
Certificated Administrative Staff	\$79,127.50
Classified Staff	\$39,975.50

(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 22, 2017, at 1:14 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 22, 2017, at 1:14 hours.

(c) "LEAP Document 3" means the school district regionalization factors for certificated instructional, certificated administrative, and classified staff, as developed by the legislative evaluation and accountability program committee on (~~June 22, 2017, at 1:14~~) December 29, 2017, at 3:31 hours.

(3) Incremental fringe benefit factors are applied to salary adjustments at a rate of 22.85 percent for school year 2017-18 and 22.85 percent for school year 2018-19 for certificated instructional and certificated administrative staff and 21.10 percent for school year 2017-18 and 21.10 percent for the 2018-19 school year for classified staff.

(4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary allocation schedule for certificated instructional staff are established for basic education salary allocations for the 2017-18 school year:

Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2017-18

*** Education Experience ***

Years of service	MA +90								
	OR								
	<u>BA</u>	<u>A+</u>	<u>A+</u>	<u>A+</u>	<u>A+</u>	<u>A+1</u>	<u>MA</u>	<u>A+4</u>	<u>h.D.</u>
0	3	15	30	45	90	35	4	5	4
	6,5	7,50	8,52	9,55	2,84	4,95	3,78	7,07	9,19
	21	7	9	4	0	7	5	2	1
1	3	3	3	4	4	4	4	4	4
	7,0	8,01	9,04	0,11	3,43	5,54	4,27	7,59	9,69
	13	3	8	7	8	3	2	3	7
2	3	3	3	4	4	4	4	4	5
	7,4	8,49	9,53	0,68	4,00	6,12	4,76	8,07	0,20
	81	1	7	8	0	7	2	3	1
3	3	3	4	4	4	4	4	4	5
	7,9	8,98	0,04	1,22	4,53	6,71	5,22	8,52	0,70
	64	3	0	9	4	2	7	9	9
4	3	3	4	4	4	4	4	4	5
	8,4	9,50	0,56	1,79	5,11	7,31	5,71	9,03	1,23
	37	1	5	4	9	3	4	8	4

5	3	3	4	4	4	4	4	4	4	5
	8,9	9,99	1,06	2,36	5,67	7,91	6,20	9,52	1,76	
	26	5	9	7	9	8	9	2	0	
6	3	4	4	4	4	4	4	4	5	5
	9,4	0,47	1,58	2,94	6,24	8,49	6,71	0,01	2,26	
	28	4	5	8	4	4	6	3	2	
7	4	4	4	4	4	4	4	4	5	5
	0,3	1,37	2,49	3,93	7,28	9,59	7,66	1,01	3,32	
	12	3	8	5	0	3	6	0	4	
8	4	4	4	4	4	5	4	4	5	5
	1,6	2,72	3,87	5,43	8,82	1,21	9,16	2,55	4,94	
	04	4	6	1	2	9	1	2	9	
9		4	4	4	5	5	5	5	5	5
		4,12	5,33	6,94	0,41	2,89	0,67	4,14	6,62	
		2	2	3	3	2	2	3	3	
1			4	4	5	5	5	5	5	5
0			6,80	8,53	2,04	4,61	2,26	5,78	8,34	
			5	3	9	1	3	0	0	
1				5	5	5	5	5	6	
1				0,16	3,76	6,37	3,89	7,49	0,10	
				9	1	5	9	2	4	
1				5	5	5	5	5	6	
2				1,75	5,52	8,21	5,60	9,25	1,94	
				3	0	1	0	0	2	
1					5	6	5	6	6	
3					7,32	0,09	7,36	1,05	3,82	
					2	3	0	2	3	
1					5	6	5	6	6	
4					9,13	2,04	9,17	2,98	5,77	
					2	6	2	1	6	
1					6	6	6	6	6	
5					0,67	3,66	0,71	4,61	7,48	
					1	0	0	8	6	
1					6	6	6	6	6	
6 or more					1,88	4,93	1,92	5,91	8,83	
					4	2	4	0	6	

(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 allocations established in this section are for

THIRTY EIGHTH DAY, FEBRUARY 14, 2018

2018 REGULAR SESSION

allocation purposes only except as provided in this subsection, and do not entitle an individual staff position to a particular paid salary except as provided in RCW 28A.400.200, as amended by House Bill No. 2242 (fully funding the program of basic education).

(8) For school year 2018-19, the salary allocations for each district shall be the greater of:

(a) The derived school year 2018-19 salary allocations in subsection (1) of this section; or

(b) The derived salary allocations for school year 2017-18 increased by 2.3 percent."

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

On page 46, line 1 of the title amendment, after "amending" insert "2017 3rd sp.s. c 1 s 503 and"

Senator Miloscia spoke in favor of adoption of the amendment to the striking amendment.

Senator Wellman spoke against adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 671 by Senators Fain, Keiser and Miloscia on page 15, after line 18 to Second Substitute Senate Bill No. 6362.

The motion by Senator Miloscia did not carry and floor amendment no. 671 was not adopted by voice vote.

MOTION

Senator Fain moved that the following floor amendment no. 682 by Senators Braun and Fain be adopted:

On page 19, line 13 of the amendment, after "under a" strike "time-based"

Senators Fain and Wellman spoke in favor of adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 682 by Senators Braun and Fain on page 19, line 13 to Second Substitute Senate Bill No. 6362.

The motion by Senator Fain carried and floor amendment no. 682 was adopted by voice vote.

MOTION

Senator Wellman moved that the following floor amendment no. 679 by Senator Wellman be adopted:

On page 29, line 23 of the amendment, after "if the" insert "high school"

On page 30, line 12 of the amendment, after "28A.160.180" insert ", including the enrichment activities established in RCW 28A.150.276"

On page 42, at the beginning of line 31 of the amendment, strike "twelve" and insert "thirteen"

Senator Wellman spoke in favor of adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 679 by Senator Wellman on page 29, line 23 to Second Substitute Senate Bill No. 6362.

The motion by Senator Wellman carried and floor amendment no. 679 was adopted by voice vote.

MOTION

Senator Ericksen moved that the following floor amendment no. 680 by Senator Ericksen be adopted:

On page 37, line 18, after "(6)" insert "As the legislature phases in the funding for professional learning days under this section, the number of late start or early release of students resulting in partial days of instruction shall be phased down in the following manner:

(a) In the school years when one professional learning day is funded, each school district shall limit the number of partial days of instruction to no more than thirteen during the school years.

(b) In the school years when two professional learning days are funded, each school district shall limit the number of partial days of instruction to no more than ten during the school years.

(c) In the school years when three professional learning days are funded, each school district shall limit the number of partial days of instruction to no more than seven during the school years.

(7)"

Senators Ericksen and Wellman spoke in favor of adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 680 by Senator Ericksen on page 37, line 18 to Second Substitute Senate Bill No. 6362.

The motion by Senator Ericksen carried and floor amendment no. 680 was adopted by voice vote.

MOTION

Senator Rivers moved that the following floor amendment no. 685 by Senators Braun and Rivers be adopted:

On page 43, beginning on line 25, strike section 409.

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

Senator Rivers spoke in favor of adoption of the amendment to the striking amendment.

Senator Wellman spoke against adoption of the amendment to the striking amendment.

The President declared the question before the Senate to be the adoption of floor amendment no. 685 by Senators Braun and Rivers on page 43, line 25 to Second Substitute Senate Bill No. 6362.

The motion by Senator Rivers did not carry and floor amendment no. 685 was not adopted by voice vote.

The President declared the question before the Senate to be the adoption of striking floor amendment no. 670 by Senator Wellman as amended to Second Substitute Senate Bill No. 6362.

The motion by Senator Wellman carried and striking floor amendment no. 670 as amended was adopted by rising vote.

MOTION

On motion of Senator Wellman, the rules were suspended, Engrossed Second Substitute Senate Bill No. 6362 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Wellman and Frockt spoke in favor of passage of the bill.

Senators Zeiger, Braun, Padden and Fortunato spoke against passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 6362.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6362 and the bill passed the Senate by the following vote: Yeas, 25; Nays, 22; Absent, 0; Excused, 2.

Voting yea: Senators Billig, Carlyle, Chase, Cleveland, Conway, Darneille, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Lias, McCoy, Mullet, Nelson, Palumbo, Pedersen, Ranker, Rolfes, Saldaña, Takko, Van De Wege and Wellman

Voting nay: Senators Angel, Bailey, Becker, Braun, Brown, Ericksen, Fain, Fortunato, Hawkins, Honeyford, King, Miloscia, O'Ban, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Warnick, Wilson and Zeiger

Excused: Senators Baumgartner and Walsh

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6362, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

REMARKS BY THE PRESIDENT

President Habib: "If I could have the Senate's attention for one moment. As you all know, when we have these cutoffs, there's just an extraordinary amount of work that staff have to do. Of course, the committee staff to get us to this point, that happened earlier with the previous cutoffs, and they continue to work on amendments etcetera, all of our folks in the committee staff, but particularly I want to bring emphasis to those who work at the rostrum. The Secretary's staff, the caucus attorney's, the Sergeant-at-Arms, everyone who works so hard, stays up late at night, so even though some of you may love me, some of you may hate me, don't worry about me. Thank them for all the hard work they've done to get you through these thirty-eight days to cutoff. Hundreds of bills passed in the Senate. Again, whether you love them or not, thank these hard working men and women for doing their job." (The members of the Senate rose in applause.)

MOTION

On motion of Senator Lias, the Senate advanced to the fourth order of business.

MESSAGE FROM THE HOUSE

February 13, 2018

MR. PRESIDENT:

The House has passed:

ENGROSSED SECOND SUBSTITUTE HOUSE BILL
NO. 1332,

SECOND ENGROSSED SUBSTITUTE HOUSE BILL
NO. 1340,
ENGROSSED THIRD SUBSTITUTE HOUSE BILL NO.
1482,
ENGROSSED THIRD SUBSTITUTE HOUSE BILL NO.
1488,

SECOND ENGROSSED SUBSTITUTE HOUSE BILL
NO. 2114,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2327,
ENGROSSED HOUSE BILL NO. 2439,
ENGROSSED HOUSE BILL NO. 2444,
ENGROSSED HOUSE BILL NO. 2509,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2610,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2701,
ENGROSSED SECOND SUBSTITUTE HOUSE BILL

NO. 2718,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2757,
ENGROSSED HOUSE BILL NO. 2759,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2771,
ENGROSSED HOUSE BILL NO. 2777,
ENGROSSED HOUSE BILL NO. 2808,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2836,
ENGROSSED HOUSE BILL NO. 2948,

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

REMARKS BY SENATOR LIAS

Senator Lias: Thank you Mr. President. I will just take a brief point of personal privilege. I appreciate you noting the school shooting in Florida. I did just want to highlight for our members that in my district we actually had an attempt that was uncovered by our local authorities. In fact, it was a young man who was planning an attack against the high school my sister went to. And thanks to great work by Everett Police Department and a brave call by his own grandmother to alert the authorities to the plot and the weapons he was amassing, it appears that attack has been averted. But unfortunately these threats are not just in distant places, they are right here. I know we are not supposed to talk about bills, but I want to applaud Senator Padden for our school safety bill. We need to continue to do more to make sure our schools are safe for our kids, especially kids here close to home. So, I wanted to applaud the Everett Police Department and that family member for taking action."

MOTION

At 7:09 p.m., on motion of Senator Lias, the Senate adjourned until 12:00 o'clock noon Thursday, February 15, 2018.

CYRUS HABIB, President of the Senate

BRAD HENDRICKSON, Secretary of the Senate

1063-S		Messages	5	
1325-S2		Messages	5	
1332-S2		Messages	74	
1340-S		Messages	74	
1470		Introduction & 1st Reading	1	
1482-S3		Messages	74	
1488-S3		Messages	74	
1513-S2		Introduction & 1st Reading	1	
1539-S		Introduction & 1st Reading	1	
1558-S		Introduction & 1st Reading	1	
1656-S		Messages	5	
1953-S		Messages	5	
1987-S2		Messages	5	
2001-S		Introduction & 1st Reading	1	
2015-S2		Messages	5	
2114-S		Messages	74	
2208		Messages	5	
2229-S		Introduction & 1st Reading	1	
2264-S		Introduction & 1st Reading	1	
2289-S		Introduction & 1st Reading	1	
2290-S		Messages	5	
2308-S		Introduction & 1st Reading	2	
2313		Messages	5	
2317-S		Messages	5	
		2327-S	Messages	74
		2358	Messages	5
		2368	Introduction & 1st Reading	2
		2387	Introduction & 1st Reading	2
		2390-S2	Introduction & 1st Reading	2
		2423-S	Messages	5
		2430	Messages	5
		2439	Messages	74
		2444	Messages	74
		2445	Messages	5
		2446	Introduction & 1st Reading	2
		2509	Messages	74
		2516-S	Introduction & 1st Reading	2
		2527	Introduction & 1st Reading	2
		2528-S	Introduction & 1st Reading	2
		2539	Introduction & 1st Reading	2
		2561-S	Messages	5
		2572-S2	Messages	5
		2610-S	Messages	74
		2611	Messages	5
		2627-S	Introduction & 1st Reading	2
		2651-S	Introduction & 1st Reading	2
		2669	Introduction & 1st Reading	2

2671-S2		2855-S	
Messages	5	Introduction & 1st Reading.....	3
2682		2894	
Introduction & 1st Reading.....	2	Introduction & 1st Reading.....	3
2692-S		2928-S	
Messages	5	Messages	5
2696-S		2948	
Messages	5	Messages	74
2701-S		2962	
Messages	74	Introduction & 1st Reading.....	3
2712-S		2975-S	
Introduction & 1st Reading.....	3	Messages	5
2718-S2		4011	
Messages	74	Introduction & 1st Reading.....	3
2723-S		5731	
Messages	5	Second Reading	19
2733		Third Reading Final Passage	19
Introduction & 1st Reading.....	3	5917	
2751		Second Reading	39
Introduction & 1st Reading.....	3	Third Reading Final Passage	40
2757-S		5935-S2	
Messages	74	Other Action.....	10, 16
2759		Second Reading	10, 12, 13, 15
Messages	74	Third Reading Final Passage	17
2771-S		6029	
Messages	74	Second Reading	47
2774-S		6029-S2	
Messages	5	Second Reading	48
2775		Third Reading Final Passage	48
Messages	5	6052	
2777		Other Action.....	44
Messages	74	Second Reading	41, 42, 44, 45
2785		Third Reading Final Passage	46
Introduction & 1st Reading.....	3	6124	
2786-S		Second Reading	41
Messages	5	6124-S	
2808		Second Reading	41
Messages	74	Third Reading Final Passage	41
2809-S		6132	
Messages	5	Second Reading	5
2817-S		6132-S	
Messages	5	Second Reading	5
2818-S		Third Reading Final Passage	5
Messages	5	6162	
2833-S		Second Reading	5
Introduction & 1st Reading.....	3	6162-S2	
2836-S		Other Action.....	6
Messages	74	Second Reading	6

6241
 Third Reading Final Passage 6
 Second Reading 19
 6241-S
 Second Reading 19, 38
 Third Reading Final Passage 39
 6268
 Other Action..... 46, 47
 Second Reading 39, 46, 47
 6268-S2
 Other Action..... 39, 46
 Second Reading 39, 46
 6283
 Second Reading 8
 6283-S
 Second Reading 8
 Third Reading Final Passage 8
 6313
 Second Reading 8
 6313-S
 Second Reading 8
 Third Reading Final Passage 8
 6340
 Second Reading 6
 6340-S
 Second Reading 6
 Third Reading Final Passage 7
 6354
 Second Reading 17
 Third Reading Final Passage 17
 6362
 Second Reading 47, 49
 6362-S2
 Other Action..... 49
 Second Reading 49, 63, 65, 68, 71, 73
 Third Reading Final Passage 74
 6386
 Second Reading 40
 6386-S2
 Second Reading 40
 Third Reading Final Passage 40
 6410
 Second Reading 5
 6410-S2
 Second Reading 5
 Third Reading Final Passage 5
 6414
 Second Reading 8

6531
 Third Reading Final Passage 9
 Second Reading 40
 6531-S
 Second Reading 41
 Third Reading Final Passage 41
 6548
 Second Reading 7
 6548-S
 Second Reading 7
 Third Reading Final Passage 7
 8708
 Adopted..... 18
 Introduced 18
 9078 Elizabeth L. Baum
 Confirmed 3
 9086 Ken A. Larsen
 Confirmed 4
 9087 Wendy L. Lawrence
 Confirmed 4
 9110 Catherine Shaffer
 Confirmed 9
 9131 Don Bonker
 Confirmed 9
 9170 Kay M. Brown
 Confirmed 10
 9225 Steven S. Milner
 Confirmed 9
CHAPLAIN OF THE DAY
 Jamal, Mr. Adam, Director of Education and
 Assistant Imam with the Muslim
 Association of Puget Sound 1
FLAG BEARERS
 Snyder, Miss Tess 1
 Voetberg, Mr. Rudy 1
GUESTS
 Jamal, Master Khalil (son of Imam Adam
 Jamal)..... 1
 Marty, Miss Olivia (Pledge of Allegiance)... 1
 Qureshi, Mrs. Badeea, (wife of Imam Adam
 Jamal)..... 1
PRESIDENT OF THE SENATE
 Remarks by the President..... 68, 74
 Reply by the President 39, 43, 44
 Ruling by the President..... 42, 45, 46, 48, 68
**PRESIDENT PRO TEMPORE OF THE
 SENATE**
 Remarks by the President Pro Tempore..... 18

WASHINGTON STATE SENATE

Parliamentary Inquiry, Senator Liias 47
 Personal Privilege, Senator Braun 38
 Personal Privilege, Senator Keiser..... 4
 Personal Privilege, Senator Schoesler..... 39
 Point of Inquiry, Senator King..... 7
 Point of Order, Senator Ericksen 48
 Point of Order, Senator Fain 43, 46
 Point of Order, Senator Nelson..... 47

Point of Order, Senator Padden 45
 Point of Order, Senator Pedersen..... 42, 45
 Point of Order, Senator Rivers..... 45
 Point of Order, Senator Schoesler..... 68
 Remarks by former Senator Linda Evans
 Parlette 18
 Remarks by Senator Fain 44
 Remarks by Senator Liias 4, 74

Draft