

FIFTY NINTH LEGISLATURE - REGULAR SESSION

NINETY SIXTH DAY

House Chamber, Olympia, Friday, April 15, 2005

The House was called to order at 10:00 a.m. by the Speaker (Representative Lovick presiding). The Clerk called the roll and a quorum was present.

The flag was escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Robyn Best and Phoenix Van Wagoner. The Speaker (Representative Lovick presiding) led the Chamber in the Pledge of Allegiance. Prayer was offered by Father Joseph O'Shea, St. Phillips Church, Woodland.

Reading of the Journal of the previous day was dispensed with and it was ordered to stand approved.

RESOLUTION

HOUSE RESOLUTION NO. 2005-4654, By Representatives Dunn, Ahern and McCune

WHEREAS, Mother Joseph of the Sacred Heart was born as Esther Pariseau on April 16, 1823, in St. Elzear, Canada, and entered the newly formed Sisters of Providence in Montreal at twenty years of age; and

WHEREAS, Her father made a prophetic remark upon her entry: "I bring to you my daughter, Esther, who wishes to dedicate herself to the religious life. She can read, write, figure accurately, sew, cook, and spin and do all manner of housework. She can do carpentry, handling a hammer and a saw as well as her father. She can also plan for others, and she succeeds in anything she undertakes. I assure you, Madam, she will make a good superior some day"; and

WHEREAS, The Sisters of Providence responded to the pleas for help that were coming from the new frontier settlements in the western United States, and Mother Joseph was chosen to lead the group of five sisters to the Washington Territory in 1856; and

WHEREAS, By February 1857, the young Sisters inherited their first convent, an old fur storage building abandoned by the Hudson Bay Company and later used as a barn, and Mother Joseph designed a chapel, built the altar herself, and fashioned a tabernacle out of an old candle box; and

WHEREAS, From this home base the Sisters began visiting the sick, soon opened the first permanent hospital in the territory, which is still operating today as Southwest Washington Medical Center, and also cared for Indian children displaced by the Yakima Indian wars; and

WHEREAS, By spring of the first year, preparations had been completed for a school; the first student, a three-year-old orphan, arrived early, and soon a tiny baby boy was also placed at the doorstep; and

WHEREAS, In 1859, Mother Joseph incorporated the Sisters' charitable works and became the President of the Sisters of Charity of the House of Providence in the Territory of Washington, one of Washington's first corporations; and

WHEREAS, From the 1850s to the 1890s, Mother Joseph established no less than eleven hospitals, seven academies, five Indian schools, and two orphanages throughout an area that today encompasses Northern Oregon, Idaho, Montana, British Columbia, and Washington, including hospitals that continue in operation in Vancouver, Walla Walla, Seattle, Spokane, Olympia, Port Townsend, Yakima, and Colfax; and

WHEREAS, Some of her most demanding work was raising funds to complete her buildings, and she found the people of Vancouver generally had modest incomes or were poor and began "begging tours" to the mining camps of Idaho, the Blue Mountains of Eastern Washington, Montana, and Western Canada; and

WHEREAS, From 1856 to 1873, while she worked on other facilities, Mother Joseph planned and built her home for the Sisters' various medical, spiritual, and educational ministries in Vancouver, Washington, the House of Providence, later called Providence Academy, which was three stories high, was considered to be the biggest brick building in the Washington Territory, and today has been declared an historic monument in the "National Register of Historic Places"; and

WHEREAS, After her death from a brain tumor in January 1902, her close friend, Mother Mary Antoinette, honored Mother Joseph in a letter to the community, "She had the characteristics of a genius: incessant works, immense sacrifices, great undertakings; and she never counted the cost to self. She exercised an extraordinary influence on the Church in the West"; and

WHEREAS, In 1953, Mother Joseph was recognized as one of the first architects in the Pacific Northwest, and because she was among the first to appreciate the use of Douglas Fir for both carving and building, she was recognized as the "first white artisan to work with wood in the Pacific Northwest," by the West Coast Lumberman's Association; and

WHEREAS, In 1980, Mother Joseph was honored as one of Washington State's two representatives in National Statuary Hall, Washington, D.C.; and

WHEREAS, A replica of that statue resides in the east wing of the entrance foyer of the Legislative Building in Olympia;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives recognize and honor Mother Joseph on the occasion of the 182nd year of her birth.

HOUSE RESOLUTION NO. 4654 was adopted.

MESSAGES FROM THE SENATE

April 14, 2005

Mr. Speaker:

The President has signed SENATE BILL NO. 5477, and the same is herewith transmitted.

Thomas Hoemann, Secretary

April 14, 2005

Mr. Speaker:

The Senate has passed:

SUBSTITUTE HOUSE BILL NO. 1132,

HOUSE BILL NO. 1170,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1242,

HOUSE BILL NO. 1668,

SUBSTITUTE HOUSE BILL NO. 1823,

SUBSTITUTE HOUSE BILL NO. 1887,

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1896,

HOUSE BILL NO. 2131,

SUBSTITUTE HOUSE BILL NO. 2223,

and the same are herewith transmitted.

Thomas Hoemann, Secretary

April 14, 2005

Mr. Speaker:

The President has signed SUBSTITUTE SENATE BILL NO. 5623, and the same is herewith transmitted.

Thomas Hoemann, Secretary

April 14, 2005

Mr. Speaker:

The President has signed:

SUBSTITUTE SENATE BILL NO. 5309,

SENATE BILL NO. 5501,

and the same are herewith transmitted.

Thomas Hoemann, Secretary

April 14, 2005

Mr. Speaker:

The President has signed:

SUBSTITUTE SENATE BILL NO. 5058,

SUBSTITUTE SENATE BILL NO. 5242,

SENATE BILL NO. 5340,
SENATE BILL NO. 5347,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5348,
SENATE BILL NO. 5461,
SENATE BILL NO. 5518,
SENATE BILL NO. 5564,
ENGROSSED SUBSTITUTE SENATE BILL NO. 5720,
SENATE BILL NO. 6012,

and the same are herewith transmitted.

Thomas Hoemann, Secretary

There being no objection, SENATE BILL NO. 5139 was placed on the Second Reading calendar.

SIGNED BY THE SPEAKER

The Speaker signed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5348,
SENATE BILL NO. 5477,

There being no objection, the House advanced to the sixth order of business.

SECOND READING

SUBSTITUTE SENATE BILL NO. 5692, By Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senators Berkey, Benton, Prentice and Keiser)

Regulating tax refund anticipation loans.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Financial Institutions & Insurance was not adopted. (For committee amendment, see Journal, 82nd Day, April 1, 2005.)

Representative Santos moved the adoption of amendment (477):

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. This chapter may be known and cited as the tax refund anticipation loan act.

NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Borrower" means a taxpayer who receives the proceeds of a refund anticipation loan.

(2) "Department" means the department of financial institutions.

(3) "Director" means the director of the department of financial institutions.

(4) "Facilitator" means a person who receives or accepts for delivery an application for a refund anticipation loan, delivers a check in payment of refund anticipation loan proceeds, or in any other manner acts to allow the making of a refund anticipation loan. "Facilitator" does not include a bank, thrift, savings association, industrial bank, or credit union, operating under the laws of the United States or this state, an affiliate that is a servicer for such an entity, or any person who acts solely as an intermediary and does not deal with a taxpayer in the making of the refund anticipation loan.

(5) "Lender" means a person who extends credit to a borrower in the form of a refund anticipation loan.

(6) "Person" means an individual, a firm, a partnership, an association, a corporation, or other entity.

(7) "Refund anticipation loan" means a loan borrowed by a taxpayer from a lender based on the taxpayer's anticipated federal income tax refund.

(8) "Refund anticipation loan fee" means the charges, fees, or other consideration imposed by the lender for a refund anticipation loan. This term does not include any charge, fee, or other consideration usually imposed by the facilitator in the ordinary course of business for nonloan services, such as fees for tax return preparation and fees for electronic filing of tax returns.

(9) "Refund anticipation loan fee schedule" means a listing or table of refund anticipation loan fees charged by the facilitator or the lender for three or more representative refund anticipation loan amounts. The schedule shall list separately each fee or charge imposed, as well as a total of all fees imposed, related to the making of refund anticipation loans. The schedule shall also include, for each representative loan amount, the estimated annual percentage rate calculated under the guidelines established by the federal truth in lending act, 15 U.S.C. Sec. 1601 et seq.

(10) "Taxpayer" means an individual who files a federal income tax return.

NEW SECTION. Sec. 3. (1) No person may individually, or in conjunction or cooperation with another person act as a facilitator unless that person is:

(a) A tax preparer or works for a person that engages in the business of tax preparation;

(b) Accepted by the internal revenue service as an authorized IRS e-file provider; and

(c) Registered with the department as a facilitator. The director may prescribe the registration form.

(2) A person is registered as a facilitator by providing the department, on or before December 31st of each year with:

(a) A list of authorized IRS e-file providers in the state of Washington for the current tax filing year; and

(b) A thirty-five dollar processing fee for each authorized e-file provider on the list.

(3) After the December 31st deadline, a facilitator may amend the registration required in subsection (2) of this section to reflect additions or deletions of office locations or e-file providers authorized by the internal revenue service.

(4) The department shall make available to the public a list of all facilitators registered under this section.

(5) This section does not apply to a person doing business as a bank, thrift, savings association, industrial bank, or credit union, operating under the laws of the United States or this state, an affiliate that is a servicer for such an entity, or any person who acts solely as an intermediary and does not deal with a taxpayer in the making of the refund anticipation loan.

(6) This chapter shall preempt and be exclusive of all local acts, statutes, ordinances, and regulations relating to refund anticipation loans. This subsection shall be given retroactive and prospective effect.

NEW SECTION. Sec. 4. (1) For all refund anticipation loans, a facilitator must provide clear disclosure to the borrower prior to the borrower's completion of the application. The disclosure must contain the following:

(a) The refund anticipation loan fee schedule; and

(b) A written statement, in a minimum of ten-point type, containing the following elements:

(i) That a refund anticipation loan is a loan, and is not the borrower's actual income tax refund;

(ii) That the taxpayer can file an income tax return electronically without applying for a refund anticipation loan;

(iii) The average times according to the internal revenue service within which a taxpayer who does not obtain a refund anticipation loan can expect to receive a refund if the taxpayer's return is (A) filed electronically and the refund is directly deposited to the taxpayer's bank account or mailed to the taxpayer, and (B) mailed to the internal revenue service and the refund is directly deposited to the taxpayer's bank account or mailed to the taxpayer;

(iv) That the internal revenue service does not guarantee that it will pay the full amount of the anticipated refund and it does not guarantee a specific date that a refund will be deposited into a taxpayer's financial institution account or mailed to a taxpayer;

(v) That the borrower is responsible for repayment of the loan and related fees in the event that the tax refund is not paid or paid in full;

(vi) The estimated time within which the loan proceeds will be paid to the borrower if the loan is approved;

(vii) The fee that will be charged, if any, if the borrower's loan is not approved; and

(viii) The borrower's right to rescind the refund anticipation loan transaction as provided in section 5 of this act.

(2) The following additional information must be provided to the borrower of a refund anticipation loan before consummation of the loan transaction:

(a) The estimated total fees for obtaining the refund anticipation loan; and

(b) The estimated annual percentage rate for the borrower's refund anticipation loan, using the guidelines established under the federal truth in lending act (15 U.S.C. Sec. 1601 et seq.).

NEW SECTION. Sec. 5. A borrower may rescind a loan, on or before the close of business on the next day of business, by either returning the original check issued for the loan or providing the amount of the loan in cash to the lender or the facilitator. The facilitator may not charge the borrower a fee for rescinding the loan or a refund anticipation loan fee if the loan is rescinded but may charge the borrower the administrative cost of establishing a bank account to electronically receive the refund.

NEW SECTION. Sec. 6. It is unlawful for a facilitator of a refund anticipation loan to engage in any of the following activities:

(1) Misrepresent a material factor or condition of a refund anticipation loan;

(2) Fail to process the application for a refund anticipation loan promptly after the consumer applies for the loan;

(3) Engage in any dishonest, fraudulent, unfair, unconscionable, or unethical practice or conduct in connection with a refund anticipation loan;

(4) Arrange for a creditor to take a security interest in any property of the consumer other than the proceeds of the consumer's tax refund and the account into which that tax refund is deposited to secure payment of the loan; and

(5) Offer a refund anticipation loan that, including any refund anticipation loan fee or any other fee related to the loan or tax preparation, exceeds the amount of the anticipated tax refund.

NEW SECTION. Sec. 7. Any person who knowingly and willfully violates this chapter is guilty of a misdemeanor and shall be fined up to five hundred dollars for each offense.

NEW SECTION. Sec. 8. The legislature finds that the practices covered by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of this chapter is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

NEW SECTION. Sec. 9. Sections 1 through 8 of this act constitute a new chapter in Title 19 RCW."

Correct the title.

Representatives Santos and Roach spoke in favor of the adoption of the amendment.

The amendment was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House was placed on final passage.

Representatives Kirby and Roach spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 5692, as amended by the House.

MOTIONS

On motion of Representative Clements, Representatives Condotta, Curtis and Tom were excused. On motion of Representative Santos, Representative Flannigan was excused.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5692 as amended by the House, and the bill passed the House by the following vote: Yeas - 94, Nays - 0, Absent - 0, Excused - 4.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Conway, Cox, Crouse, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Upthegrove, Wallace, Walsh, Williams, Wood, Woods, and Mr. Speaker - 94.

Excused: Representatives Condotta, Curtis, Flannigan, and Tom - 4.

SUBSTITUTE SENATE BILL NO. 5692, as amended by the House, having received the necessary constitutional majority, was declared passed.

There being no objection, the House advanced to the seventh order of business.

THIRD READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 5415, By Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senators Fairley and Kline)

Making loans under chapter 31.45 RCW to military borrowers.

Representatives Kirby, Roach and Morrell spoke in favor of passage of the bill.

Representatives Schual-Berke, Dunn and Nixon spoke against the of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5415 as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5415, as amended by the House and the bill passed the House by the following vote: Yeas - 66, Nays - 28, Absent - 0, Excused - 4.

Voting yea: Representatives Ahern, Appleton, Armstrong, Blake, Campbell, Chase, Clibborn, Cody, Conway, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Fromhold, Grant, Green, Haigh, Hankins, Hasegawa, Hudgins, Hunt, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Lovick,

McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, O'Brien, Ormsby, Pettigrew, Priest, Roach, Roberts, Santos, Schindler, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Strow, Sullivan, B., Sullivan, P., Takko, Upthegrove, Wallace, Walsh, Williams, Wood and Mr. Speaker - 66.

Voting nay: Representatives Alexander, Anderson, Bailey, Buck, Buri, Chandler, Clements, Cox, Crouse, Dunn, Ericksen, Haler, Hinkle, Holmquist, Hunter, Kretz, Kristiansen, Linville, Nixon, Orcutt, Pearson, Quall, Rodne, Schual-Berke, Springer, Sump, Talcott and Woods - 28.

Excused: Representatives Condotta, Curtis, Flannigan and Tom - 4.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5415, as amended by the House, having received the necessary constitutional majority, was declared passed.

There being no objection, the House reverted to the sixth order of business.

SECOND READING

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5213, By Senate Committee on Ways & Means (originally sponsored by Senators Brandland, Hargrove, Esser, Regala, McAuliffe, Thibaudeau, Stevens, Kohl-Welles and Shin)

Supporting the long-term success of families with children by removing barriers to Temporary Assistance for Needy Families and the WorkFirst programs.

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Pettigrew and Hinkle spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Second Substitute Senate Bill No. 5213.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5213 and the bill passed the House by the following vote: Yeas - 77, Nays - 17, Absent - 0, Excused - 4.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Conway, Cox, Crouse, Darneille, DeBolt, Dickerson, Dunn, Eickmeyer, Ericksen, Fromhold,

Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kirby, Kretz, Kristiansen, Linville, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Serben, Shabro, Simpson, Skinner, Sommers, Strow, Sullivan, B., Sump, Talcott, Upthegrove, Walsh, Williams, Wood, Woods and Mr. Speaker - 77.

Voting nay: Representatives Appleton, Blake, Dunshee, Ericks, Grant, Green, Haigh, Kilmer, Lantz, Lovick, McCoy, Morrell, Sells, Springer, Sullivan, P., Takko and Wallace - 17.

Excused: Representatives Condotta, Curtis, Flannigan and Tom - 4.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5213, having received the necessary constitutional majority, was declared passed.

STATEMENT FOR THE JOURNAL

I intended to vote NAY on ENGROSSED SECOND SUBSTITUTE SENATE HOUSE BILL NO. 5213.

WILLIAM FLANNIGAN, 25th District

STATEMENT FOR THE JOURNAL

I intended to vote NAY on ENGROSSED SECOND SUBSTITUTE SENATE HOUSE BILL NO. 5213.

AL O'BRIEN, 1st District

The Speaker assumed the chair.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5060, By Senate Committee on Transportation (originally sponsored by Senators Haugen, Swecker and Jacobsen)

Regulating the use of automated traffic safety cameras.

The bill was read the second time.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Lovick, Woods and Talcott spoke in favor of passage of the bill.

The Speaker stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5060.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5060 and the bill passed the House by the following vote: Yeas - 61, Nays - 33, Absent - 0, Excused - 4.

Voting yea: Representatives Ahern, Anderson, Bailey, Campbell, Chase, Clements, Clibborn, Cody, Conway, Dickerson, Dunshee, Eickmeyer, Ericks, Green, Haigh, Haler, Hankins, Hasegawa, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kilmer, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, Miloscia, Moeller, Morrell, Murray, Nixon, O'Brien, Ormsby, Pettigrew, Roach, Roberts, Rodne, Santos, Schual-Berke, Sells, Shabro, Simpson, Skinner, Sommers, Strow, Sullivan, B., Sullivan, P., Takko, Talcott, Wallace, Williams, Wood, Woods and Mr. Speaker - 61.

Voting nay: Representatives Alexander, Appleton, Armstrong, Blake, Buck, Buri, Chandler, Cox, Crouse, Darneille, DeBolt, Dunn, Ericksen, Fromhold, Grant, Hinkle, Kessler, Kirby, Kretz, Kristiansen, McIntire, Morris, Newhouse, Orcutt, Pearson, Priest, Quall, Schindler, Serben, Springer, Sump, Upthegrove and Walsh - 33.

Excused: Representatives Condotta, Curtis, Flannigan and Tom - 4.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5060, having received the necessary constitutional majority, was declared passed.

STATEMENT FOR THE JOURNAL

I intended to vote NAY on ENGROSSED SUBSTITUTE SENATE HOUSE BILL NO. 5060.

TOM CAMPBELL, 2nd District

STATEMENT FOR THE JOURNAL

I intended to vote NAY on ENGROSSED SUBSTITUTE SENATE HOUSE BILL NO. 5060.

JIM MCCUNE, 2nd District

MESSAGES FROM THE SENATE

April 15, 2005

Mr. Speaker:

The Senate has passed:

HOUSE BILL NO. 1287,
ENGROSSED SUBSTITUTE HOUSE BILL NO. 1302,
SUBSTITUTE HOUSE BILL NO. 1936,
HOUSE BILL NO. 2271,

and the same are herewith transmitted.

Thomas Hoemann, Secretary

April 15, 2005

Mr. Speaker:

The Senate has passed:

HOUSE BILL NO. 1024,
HOUSE BILL NO. 1130,
HOUSE BILL NO. 1364,

and the same are herewith transmitted.

Thomas Hoemann, Secretary

SECOND READING

SUBSTITUTE SENATE BILL NO. 5139, By Senate Committee on Transportation (originally sponsored by Senators Haugen, Oke, Poulsen and Swecker)

Modifying highway and bridge tolling authority.

The bill was read the second time.

With the consent of the House, amendment (568) was withdrawn.

Representative Murray moved the adoption of amendment (567):

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

"NEW SECTION. Sec. 2. No tolls may be imposed on new or existing highways or bridges without specific legislative authorization, or upon a majority vote of the people within the boundaries of the unit of government empowered to impose tolls. This section applies to chapter 47.56 RCW and to any tolls authorized under Substitute House Bill No. 1541, the transportation innovative partnership act of 2005."

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

Representatives Murray and Woods spoke in favor of the adoption of the amendment.

The amendment was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House was placed on final passage.

Representatives Murray and Woods spoke in favor of passage of the bill.

The Speaker stated the question before the House to be the final passage of Substitute Senate Bill No. 5139, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 5139 as amended by the House, and the bill

passed the House by the following vote: Yeas - 96, Nays - 0, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 96.

Excused: Representatives Condotta and Tom - 2.

SUBSTITUTE SENATE BILL NO. 5139, as amended by the House, having received the necessary constitutional majority, was declared passed.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5732, By Senate Committee on Early Learning, K-12 & Higher Education (originally sponsored by Senators McAuliffe, Weinstein, Schmidt, Berkey, Rockefeller, Shin, Prentice, Thibaudeau, Pridemore, Carrell, Kohl-Welles, Regala, Spanel, Fairley, Delvin and Rasmussen)

Revising the powers, duties, and membership of the state board of education and the Washington professional educator standards board and eliminating the academic achievement and accountability commission.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Appropriations was not adopted. (For committee amendment, see Journal, 85th Day, April 4, 2005.)

Representative McDermott moved the adoption of amendment (561):

Strike everything after the enacting clause and insert the following:

The legislature intends to reconstitute the state board of education and to refocus its purpose; to abolish the academic achievement and accountability commission; to assign policy and rule-making authority for educator preparation and certification to the professional educator standards board and to clearly define its purpose; and to align the missions of the state board of education and the professional educator standards board to create a collaborative and effective governance system that can accelerate progress towards achieving the goals in RCW 28A.150.210.

**PART 1
STATE BOARD OF EDUCATION**

(1) The membership of the state board of education shall be composed of the superintendent of public instruction and fifteen members who are residents of the state of Washington as follows:

(a) Five members elected by school district directors. Three of the members elected by school district directors shall be residents of western Washington and two members shall be residents of eastern Washington;

(b) Seven members appointed by the governor;

(c) One member elected at-large by the members of the boards of directors of all private schools in the state meeting the requirements of RCW 28A.195.010; and

(d) Two students selected in a manner determined by the state board of education.

(2) Initial appointments shall be for terms from one to four years in length, with the terms expiring on the second Monday of January of the applicable year. As the terms of the first appointees expire or vacancies on the board occur, the governor shall appoint or reappoint members of the board to complete the initial terms or to four-year terms, as appropriate.

(a) Appointees of the governor must be individuals who have demonstrated interest in public schools and are supportive of educational improvement, have a positive record of service, and who will devote sufficient time to the responsibilities of the board.

(b) In appointing board members, the governor shall consider the diversity of the population of the state.

(c) All appointments to the board made by the governor are subject to confirmation by the senate.

(d) No person may serve as a member of the board, except the superintendent of public instruction, for more than two consecutive full four-year terms.

(3) The governor may remove an appointed member of the board for neglect of duty, misconduct, malfeasance, or misfeasance in office, or for incompetent or unprofessional conduct as defined in chapter 18.130 RCW. In such a case, the governor shall file with the secretary of state a statement of the causes for and the order of removal from office, and the secretary of state shall send a certified copy of the statement of causes and order of removal to the last known post office address of the member.

(4)(a) The chair of the board shall be elected by a majority vote of the members of the board.

(b) Eight voting members of the board constitute a quorum for the transaction of business.

(c) All members except the student members are voting members.

(5) Members of the board appointed by the governor who are not public employees shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for travel expenses incurred in carrying out the duties of the board in accordance with RCW 43.03.050 and 43.03.060.

The election of state board of education members by school directors and private school board members shall be conducted by the office of the superintendent of public instruction for the members of the state board who begin serving on January 1, 2006, and thereafter.

(1) The superintendent shall adopt rules for the conduct of elections, which shall include, but need not be limited to: The definition of the eastern Washington and western Washington geographic regions of the state for the purpose of determining board member positions; the weighting of votes cast by the number of

students in the school director's school district or board member's private school; election and dispute resolution procedures; the process for filling vacancies; and election timelines. The election timeline shall include calling for elections no later than the twenty-fifth of August, and notification of the election results no later than the fifteenth of December.

(2) State board member positions one and two shall be filled by residents of the eastern Washington region and positions three, four, and five shall be filled by residents of the western Washington region.

(3) A school director shall be eligible to vote only for a candidate for each position in the geographic region within which the school director resides.

(4) Initial terms of the individuals elected by the school directors shall be for terms of two to four years in length as follows: Two members, one from eastern Washington and one from western Washington, shall be elected to two-year terms; two members, one from eastern Washington and one from western Washington, shall be elected to four-year terms; and one member from western Washington shall be elected to a three-year term. The term of the private school member shall be two years. All terms shall expire on the second Monday of January of the applicable year.

(5) No person employed in any public or private school, college, university, or other educational institution or any educational service district superintendent's office or in the office of the superintendent of public instruction is eligible for membership on the state board of education. No member of a board of directors of a local school district or private school may continue to serve in that capacity after having been elected to the state board.

By October 15th of each even-numbered year, the state board of education and the professional educator standards board shall submit a joint report to the legislative education committees, the governor, and the superintendent of public instruction. The report shall address the progress the boards have made and the obstacles they have encountered, individually and collectively, in the work of achieving the goals in RCW 28A.150.210.

The purpose of the state board of education is to adopt statewide policies that promote achievement of the goals of RCW 28A.150.210; implement a standards-based accountability system; and provide leadership in the creation of an education system that respects the diverse cultures, abilities, and learning styles of all students. In addition to any other powers and duties as provided by law, the state board of education shall:

(1) Until January 1, 2006, approve or disapprove the program of courses leading to teacher, school administrator, and school specialized personnel certification offered by all institutions of higher education within the state which may be accredited and whose graduates may become entitled to receive such certification.

(2) Until January 1, 2006, conduct every five years a review of the program approval standards, including the minimum standards for teachers, administrators, and educational staff associates, to reflect research findings and assure continued improvement of preparation programs for teachers, administrators, and educational staff associates.

(3) Until January 1, 2006, investigate the character of the work required to be performed as a condition of entrance to and graduation from any institution of higher education in this state relative to such certification as provided for in subsection (1) of this section, and prepare a list of accredited institutions of higher education of this and other states whose graduates may be awarded such certificates.

(4) Until January 1, 2006:

(a) ~~((The state board of education shall))~~ Adopt rules to allow a teacher certification candidate to fulfill, in part, teacher preparation program requirements through work experience as a classified teacher's aide in a public school or private school meeting the requirements of RCW 28A.195.010. The rules shall include, but are not limited to, limitations based upon the recency of the teacher preparation candidate's teacher aide work experience, and limitations based on the amount of work experience that may apply toward teacher preparation program requirements under this chapter(-); and

(b) ~~((The state board of education shall))~~ Require that at the time of the individual's enrollment in a teacher preparation program, the supervising teacher and the building principal shall jointly provide to the teacher preparation program of the higher education institution at which the teacher candidate is enrolled, a written assessment of the performance of the teacher candidate. The assessment shall contain such information as determined by the state board of education and shall include: Evidence that at least fifty percent of the candidate's work as a classified teacher's aide was involved in instructional activities with children under the supervision of a certificated teacher and that the candidate worked a minimum of six hundred thirty hours for one school year; the type of work performed by the candidate; and a recommendation of whether the candidate's work experience as a classified teacher's aide should be substituted for teacher preparation program requirements. In compliance with such rules as may be established by the state board of education under this section, the teacher preparation programs of the higher education institution where the candidate is enrolled shall make the final determination as to what teacher preparation program requirements may be fulfilled by teacher aide work experience.

(5) Until January 1, 2006, supervise the issuance of such certificates as provided for in subsection (1) of this section and specify the types and kinds of certificates necessary for the several departments of the common schools by rule or regulation in accordance with RCW 28A.410.010.

(6) Hold regularly scheduled meetings at such time and place within the state as the board shall determine and may hold such special meetings as may be deemed necessary for the transaction of public business.

(7) Form committees as necessary to effectively and efficiently conduct the work of the board.

(8) Seek advice from the public and interested parties regarding the work of the board.

(9) For purposes of statewide accountability, the board shall:

(a) Adopt and revise performance improvement goals in reading, writing, science, and mathematics, by subject and grade level, once assessments in these subjects are required statewide; academic and technical skills, as appropriate, in secondary career and technical education programs; and student attendance, as the board deems appropriate to improve student learning. The goals shall be consistent with student privacy protection provisions of RCW 28A.655.090(7) and shall not conflict with requirements contained in Title I of the federal elementary and secondary education act of 1965, or the requirements of the Carl D. Perkins vocational education act of 1998, each as amended. The goals may be established for all students, economically disadvantaged students, limited English proficient students, students with disabilities, and students from disproportionately academically underachieving racial and ethnic backgrounds. The board may establish school and school district goals addressing high school graduation rates and dropout reduction goals for students in grades seven through twelve. The board shall adopt the goals by rule. However, before each goal is implemented, the board shall present the goal to the education committees of the

house of representatives and the senate for the committees' review and comment in a time frame that will permit the legislature to take statutory action on the goal if such action is deemed warranted by the legislature;

(b) Identify the scores students must achieve in order to meet the standard on the Washington assessment of student learning and, for high school students, to obtain a certificate of academic achievement. The board shall also determine student scores that identify levels of student performance below and beyond the standard. The board shall consider the incorporation of the standard error of measurement into the decision regarding the award of the certificates. The board shall set such performance standards and levels in consultation with the superintendent of public instruction and after consideration of any recommendations that may be developed by any advisory committees that may be established for this purpose. The initial performance standards and any changes recommended by the board in the performance standards for the tenth grade assessment shall be presented to the education committees of the house of representatives and the senate by November 30th of the school year in which the changes will take place to permit the legislature to take statutory action before the changes are implemented if such action is deemed warranted by the legislature. The legislature shall be advised of the initial performance standards and any changes made to the elementary level performance standards and the middle school level performance standards;

(c) Adopt objective, systematic criteria to identify successful schools and school districts and recommend to the superintendent of public instruction schools and districts to be recognized for two types of accomplishments, student achievement and improvements in student achievement. Recognition for improvements in student achievement shall include consideration of one or more of the following accomplishments:

(i) An increase in the percent of students meeting standards. The level of achievement required for recognition may be based on the achievement goals established by the legislature and by the board under (a) of this subsection;

(ii) Positive progress on an improvement index that measures improvement in all levels of the assessment; and

(iii) Improvements despite challenges such as high levels of mobility, poverty, English as a second language learners, and large numbers of students in special populations as measured by either the percent of students meeting the standard, or the improvement index. When determining the baseline year or years for recognizing individual schools, the board may use the assessment results from the initial years the assessments were administered, if doing so with individual schools would be appropriate;

(d) Adopt objective, systematic criteria to identify schools and school districts in need of assistance and those in which significant numbers of students persistently fail to meet state standards. In its deliberations, the board shall consider the use of all statewide mandated criterion-referenced and norm-referenced standardized tests;

(e) Identify schools and school districts in which state intervention measures will be needed and a range of appropriate intervention strategies after the legislature has authorized a set of intervention strategies. After the legislature has authorized a set of intervention strategies, at the request of the board, the superintendent shall intervene in the school or school district and take corrective actions. This chapter does not provide additional authority for the board or the superintendent of public instruction to intervene in a school or school district;

(f) Identify performance incentive systems that have improved or have the potential to improve student achievement;

(g) Annually review the assessment reporting system to ensure fairness, accuracy, timeliness, and equity of opportunity, especially with regard to schools with special circumstances and unique populations of students, and a recommendation to the superintendent of public instruction of any improvements needed to the system;

(h) Include in the biennial report required under section 103 of this act, information on the progress that has been made in achieving goals adopted by the board.

(10) Accredited, subject to such accreditation standards and procedures as may be established by the state board of education, all schools that apply for accreditation, and approve, subject to the provisions of RCW 28A.195.010, private schools carrying out a program for any or all of the grades kindergarten through twelve: PROVIDED, That no private school may be approved that operates a kindergarten program only: PROVIDED FURTHER, That no public or private schools shall be placed upon the list of accredited schools so long as secret societies are knowingly allowed to exist among its students by school officials: PROVIDED FURTHER, That the state board may elect to require all or certain classifications of the public schools to conduct and participate in such preaccreditation examination and evaluation processes as may now or hereafter be established by the board.

~~((7))~~ (11) Make rules and regulations governing the establishment in any existing nonhigh school district of any secondary program or any new grades in grades nine through twelve. Before any such program or any new grades are established the district must obtain prior approval of the state board.

~~((8))~~ (12) Prepare such outline of study for the common schools as the board shall deem necessary, and in conformance with legislative requirements, and prescribe such rules for the general government of the common schools, as shall seek to secure regularity of attendance, prevent truancy, secure efficiency, and promote the true interest of the common schools.

~~((9))~~ (13) Continuously reevaluate courses and other requirements and adopt and enforce regulations within the common schools so as to meet the educational needs of students ~~(and)~~.

(14) Evaluate course of study requirements and articulate with the institutions of higher education, work force representatives, and early learning policymakers and providers to coordinate and unify the work of the public school system.

~~((10))~~ (15) Carry out board powers and duties relating to the organization and reorganization of school districts ~~((under RCW 28A.315.010 through 28A.315.680 and 28A.315.900)).~~

~~((11))~~ (16) Hear and decide appeals as otherwise provided by law.

~~((The state board of education is given the authority to))~~ (17) Promulgate information and rules dealing with the prevention of child abuse for purposes of curriculum use in the common schools.

(18) Hire an executive director and an administrative assistant to reside in the office of the superintendent of public instruction for administrative purposes. Any other personnel of the board shall be appointed as provided by RCW 28A.300.020. The executive director, administrative assistant, and all but one of the other personnel of the board are exempt from civil service, together with other staff as now or hereafter designated as exempt in accordance with chapter 41.06 RCW.

(19) Adopt a seal that shall be kept in the office of the superintendent of public instruction.

School districts shall have the authority to decide the best use of student achievement funds to assist students in meeting and exceeding the new, higher academic standards in each district consistent with the provisions of chapter 3, Laws of 2001.

(1) Student achievement funds shall be allocated for the following uses:

(a) To reduce class size by hiring certificated elementary classroom teachers in grades K-4 and paying nonemployee-related costs associated with those new teachers;

(b) To make selected reductions in class size in grades 5-12, such as small high school writing classes;

(c) To provide extended learning opportunities to improve student academic achievement in grades K-12, including, but not limited to, extended school year, extended school day, before-and-after-school programs, special tutoring programs, weekend school programs, summer school, and all-day kindergarten;

(d) To provide additional professional development for educators, including additional paid time for curriculum and lesson redesign and alignment, training to ensure that instruction is aligned with state standards and student needs, reimbursement for higher education costs related to enhancing teaching skills and knowledge, and mentoring programs to match teachers with skilled, master teachers. The funding shall not be used for salary increases or additional compensation for existing teaching duties, but may be used for extended year and extended day teaching contracts;

(e) To provide early assistance for children who need prekindergarten support in order to be successful in school;

(f) To provide improvements or additions to school building facilities which are directly related to the class size reductions and extended learning opportunities under (a) through (c) of this subsection.

(2) Annually on or before May 1st, the school district board of directors shall meet at the time and place designated for the purpose of a public hearing on the proposed use of these funds to improve student achievement for the coming year. Any person may appear or by written submission have the opportunity to comment on the proposed plan for the use of these funds. No later than August 31st, as a part of the process under RCW 28A.505.060, each school district shall adopt a plan for the use of these funds for the upcoming school year. Annually, each school district shall provide to the citizens of their district a public accounting of the funds made available to the district during the previous school year under chapter 3, Laws of 2001, how the funds were used, and the progress the district has made in increasing student achievement, as measured by required state assessments and other assessments deemed appropriate by the district. Copies of this report shall be provided to the superintendent of public instruction (~~and to the academic achievement and accountability commission~~).

(1) The superintendent of public instruction shall develop essential academic learning requirements that identify the knowledge and skills all public school students need to know and be able to do based on the student learning goals in RCW 28A.150.210, develop student assessments, and implement the accountability recommendations and requests regarding assistance, rewards, and recognition of the (~~academic achievement and accountability commission~~) state board of education.

(2) The superintendent of public instruction shall:

(a) Periodically revise the essential academic learning requirements, as needed, based on the student learning goals in RCW 28A.150.210. Goals one and two shall be considered primary. To the maximum extent possible, the superintendent shall integrate goal

four and the knowledge and skill areas in the other goals in the essential academic learning requirements; and

(b) Review and prioritize the essential academic learning requirements and identify, with clear and concise descriptions, the grade level content expectations to be assessed on the Washington assessment of student learning and used for state or federal accountability purposes. The review, prioritization, and identification shall result in more focus and targeting with an emphasis on depth over breadth in the number of grade level content expectations assessed at each grade level. Grade level content expectations shall be articulated over the grades as a sequence of expectations and performances that are logical, build with increasing depth after foundational knowledge and skills are acquired, and reflect, where appropriate, the sequential nature of the discipline. The office of the superintendent of public instruction, within seven working days, shall post on its web site any grade level content expectations provided to an assessment vendor for use in constructing the Washington assessment of student learning.

(3) In consultation with the (~~academic achievement and accountability commission~~) state board of education, the superintendent of public instruction shall maintain and continue to develop and revise a statewide academic assessment system in the content areas of reading, writing, mathematics, and science for use in the elementary, middle, and high school years designed to determine if each student has mastered the essential academic learning requirements identified in subsection (1) of this section. School districts shall administer the assessments under guidelines adopted by the superintendent of public instruction. The academic assessment system shall include a variety of assessment methods, including criterion-referenced and performance-based measures.

(4) If the superintendent proposes any modification to the essential academic learning requirements or the statewide assessments, then the superintendent shall, upon request, provide opportunities for the education committees of the house of representatives and the senate to review the assessments and proposed modifications to the essential academic learning requirements before the modifications are adopted.

(5)(a) The assessment system shall be designed so that the results under the assessment system are used by educators as tools to evaluate instructional practices, and to initiate appropriate educational support for students who have not mastered the essential academic learning requirements at the appropriate periods in the student's educational development.

(b) Assessments measuring the essential academic learning requirements in the content area of science shall be available for mandatory use in middle schools and high schools by the 2003-04 school year and for mandatory use in elementary schools by the 2004-05 school year unless the legislature takes action to delay or prevent implementation of the assessment.

(6) By September 2007, the results for reading and mathematics shall be reported in a format that will allow parents and teachers to determine the academic gain a student has acquired in those content areas from one school year to the next.

(7) To assist parents and teachers in their efforts to provide educational support to individual students, the superintendent of public instruction shall provide as much individual student performance information as possible within the constraints of the assessment system's item bank. The superintendent shall also provide to school districts:

(a) Information on classroom-based and other assessments that may provide additional achievement information for individual students; and

(b) A collection of diagnostic tools that educators may use to evaluate the academic status of individual students. The tools shall be designed to be inexpensive, easily administered, and quickly and easily scored, with results provided in a format that may be easily shared with parents and students.

(8) To the maximum extent possible, the superintendent shall integrate knowledge and skill areas in development of the assessments.

(9) Assessments for goals three and four of RCW 28A.150.210 shall be integrated in the essential academic learning requirements and assessments for goals one and two.

(10) The superintendent shall develop assessments that are directly related to the essential academic learning requirements, and are not biased toward persons with different learning styles, racial or ethnic backgrounds, or on the basis of gender.

(11) The superintendent shall consider methods to address the unique needs of special education students when developing the assessments under this section.

(12) The superintendent shall consider methods to address the unique needs of highly capable students when developing the assessments under this section.

(13) The superintendent shall post on the superintendent's web site lists of resources and model assessments in social studies, the arts, and health and fitness.

PART 2

WASHINGTON PROFESSIONAL EDUCATOR STANDARDS BOARD

The purpose of the professional educator standards board is to establish policies and requirements for the preparation and certification of educators that provide standards for competency in professional knowledge and practice in the areas of certification; a foundation of skills, knowledge, and attitudes necessary to help students with diverse needs, abilities, cultural experiences, and learning styles meet or exceed the learning goals outlined in RCW 28A.150.210; knowledge of research-based practice; and professional development throughout a career. The Washington professional educator standards board shall:

(1) Establish policies and practices for the approval of programs of courses, requirements, and other activities leading to educator certification including teacher, school administrator, and educational staff associate certification;

(2) Establish policies and practices for the approval of the character of work required to be performed as a condition of entrance to and graduation from any educator preparation program including teacher, school administrator, and educational staff associate preparation program as provided in subsection (1) of this section;

(3) Establish a list of accredited institutions of higher education of this and other states whose graduates may be awarded educator certificates as teacher, school administrator, and educational staff associate and establish criteria and enter into agreements with other states to acquire reciprocal approval of educator preparation programs and certification, including teacher certification from the national board for professional teaching standards;

(4) Establish policies for approval of nontraditional educator preparation programs;

(5) Conduct a review of educator program approval standards at least every five years, beginning in 2006, to reflect research findings and assure continued improvement of preparation programs for teachers, administrators, and school specialized personnel;

(6) Specify the types and kinds of educator certificates to be issued and conditions for certification in accordance with subsection (1) of this section and RCW 28A.410.010;

(7) Establish prospective educator assessment systems as necessary, including the prospective teacher assessment system for basic skills and subject knowledge that shall be required to obtain residency certification pursuant to RCW 28A.410.220 through 28A.410.240;

(8) Hear and determine educator certification appeals as provided by RCW 28A.410.100;

(9) Apply for and receive federal or other funds on behalf of the state for purposes related to the duties of the board;

(10) Adopt rules under chapter 34.05 RCW that are necessary for the effective and efficient implementation of this chapter;

(11) Maintain data concerning educator preparation programs and their quality, educator certification, educator employment trends and needs, and other data deemed relevant by the board;

(12) Serve as an advisory body to the superintendent of public instruction ((and as the sole advisory body to the state board of education)) on issues related to educator recruitment, hiring, ((preparation, certification including high quality alternative routes to certification,)) mentoring and support, professional growth, retention, ((governance, prospective teacher pedagogy assessment, prospective principal assessment,)) educator evaluation including but not limited to peer evaluation, and revocation and suspension of licensure;

((2)) (13) Submit ((annual reports and recommendations, beginning December 1, 2000, to the governor, the education and fiscal committees of the legislature, the state board of education, and the superintendent of public instruction concerning duties and activities within the board's advisory capacity. The Washington professional educator standards board shall submit a separate report by December 1, 2000, to the governor, the education and fiscal committees of the legislature, the state board of education, and the superintendent of public instruction providing recommendations for at least two high quality alternative routes to teacher certification. In its deliberations, the board shall consider at least one route that permits persons with substantial subject matter expertise to achieve residency certification through an on-the-job training program provided by a school district)), by October 15th of each even-numbered year, a joint report with the state board of education to the legislative education committees, the governor, and the superintendent of public instruction. The report shall address the progress the boards have made and the obstacles they have encountered, individually and collectively, in the work of achieving the goals set out in RCW 28A.150.210; ((and

(3)) (14) Establish the prospective teacher assessment system for basic skills and subject knowledge that shall be required to obtain residency certification pursuant to RCW 28A.410.220 through 28A.410.240; and

(15) Conduct meetings under the provisions of chapter 42.30 RCW.

(1)(a) The Washington professional educator standards board is created, consisting of twenty members to be appointed by the governor to four-year terms and the superintendent of public instruction((, who shall be an ex officio, nonvoting member)).

(b) As the four-year terms of the first appointees expire or vacancies to the board occur for the first time, the governor shall appoint or reappoint the members of the board to one-year to four-year staggered terms. Once the one-year to three-year terms expire, all subsequent terms shall be for four years, with the terms expiring

on June 30th of the applicable year. The terms shall be staggered in such a way that, where possible, the terms of members representing a specific group do not expire simultaneously.

(c) No person may serve as a member of the board for more than two consecutive full four-year terms.

(d) The governor shall annually appoint the chair of the board from among the teachers and principals on the board. No board member may serve as chair for more than two consecutive years.

(2) Seven of the members shall be public school teachers, one shall be a private school teacher, three shall represent higher education educator preparation programs, four shall be school administrators, two shall be educational staff associates, one shall be a classified employee who assists in public school student instruction, one shall be a parent, and one shall be a member of the public.

(3) Public school teachers appointed to the board must:

(a) Have at least three years of teaching experience in a Washington public school;

(b) Be currently certificated and actively employed in a teaching position; and

(c) Include one teacher currently teaching at the elementary school level, one at the middle school level, one at the high school level, and one vocationally certificated.

(4) Private school teachers appointed to the board must:

(a) Have at least three years of teaching experience in a Washington approved private school; and

(b) Be currently certificated and actively employed in a teaching position in an approved private school.

(5) Appointees from higher education educator preparation programs must include two representatives from institutions of higher education as defined in RCW 28B.10.016 and one representative from an institution of higher education as defined in RCW 28B.07.020(4).

(6) School administrators appointed to the board must:

(a) Have at least three years of administrative experience in a Washington public school district;

(b) Be currently certificated and actively employed in a school administrator position; and

(c) Include two public school principals, one Washington approved private school principal, and one superintendent.

(7) Educational staff associates appointed to the board must:

(a) Have at least three years of educational staff associate experience in a Washington public school district; and

(b) Be currently certificated and actively employed in an educational staff associate position.

(8) Public school classified employees appointed to the board must:

(a) Have at least three years of experience in assisting in the instruction of students in a Washington public school; and

(b) Be currently employed in a position that requires the employee to assist in the instruction of students.

(9) Each major caucus of the house of representatives and the senate shall submit a list of at least one public school teacher. In making the public school teacher appointments, the governor shall select one nominee from each list provided by each caucus. The governor shall appoint the remaining members of the board from a list of qualified nominees submitted to the governor by organizations representative of the constituencies of the board, from applications from other qualified individuals, or from both nominees and applicants.

(10) All appointments to the board made by the governor shall be subject to confirmation by the senate.

(11) The governor shall appoint the members of the initial board no later than June 1, 2000.

(12) In appointing board members, the governor shall consider the diversity of the population of the state.

(13) Each member of the board shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for travel expenses incurred in carrying out the duties of the board in accordance with RCW 43.03.050 and 43.03.060.

(14) The governor may remove a member of the board for neglect of duty, misconduct, malfeasance or misfeasance in office, or for incompetency or unprofessional conduct as defined in chapter 18.130 RCW. In such a case, the governor shall file with the secretary of state a statement of the causes for and the order of removal from office, and the secretary of state shall send a certified copy of the statement of causes and order of removal to the last known post office address of the member.

(15) If a vacancy occurs on the board, the governor shall appoint a replacement member from the nominees as specified in subsection (9) of this section to fill the remainder of the unexpired term. When filling a vacancy of a member nominated by a major caucus of the legislature, the governor shall select the new member from a list of at least one name submitted by the same caucus that provided the list from which the retiring member was appointed.

(16) Members of the board shall hire an executive director and an administrative assistant to reside in the office of the superintendent of public instruction for administrative purposes only.

The ~~((state board of education))~~ Washington professional educator standards board shall establish, publish, and enforce rules ~~((and regulations))~~ determining eligibility for and certification of personnel employed in the common schools of this state, including certification for emergency or temporary, substitute or provisional duty and under such certificates or permits as the board shall deem proper or as otherwise prescribed by law. The rules shall require that the initial application for certification shall require a record check of the applicant through the Washington state patrol criminal identification system and through the federal bureau of investigation at the applicant's expense. The record check shall include a fingerprint check using a complete Washington state criminal identification fingerprint card. The superintendent of public instruction may waive the record check for any applicant who has had a record check within the two years before application. The rules shall permit a holder of a lapsed certificate but not a revoked or suspended certificate to be employed on a conditional basis by a school district with the requirement that the holder must complete any certificate renewal requirements established by the state board of education within two years of initial reemployment.

In establishing rules pertaining to the qualifications of instructors of American sign language the ~~((state))~~ board shall consult with the national association of the deaf, "sign instructors guidance network" (s.i.g.n.), and the Washington state association of the deaf for evaluation and certification of sign language instructors.

The superintendent of public instruction shall act as the administrator of any such rules ~~((and regulations))~~ and have the power to issue any certificates or permits and revoke the same in accordance with board rules ~~((and regulations))~~.

The ~~((state board of education))~~ Washington professional educator standards board shall adopt rules providing that, except as provided in this section, all individuals qualifying for an initial-level teaching certificate after August 31, 1992, shall possess a baccalaureate degree in the arts, sciences, and/or humanities and have

fulfilled the requirements for teacher certification pursuant to RCW ((28A.305.130(1) and (2))) 28A.410.210. However, candidates for grades preschool through eight certificates shall have fulfilled the requirements for a major as part of their baccalaureate degree. If the major is in early childhood education, elementary education, or special education, the candidate must have at least thirty quarter hours or twenty semester hours in one academic field.

The ((state board of education)) Washington professional educator standards board shall develop and adopt rules establishing baccalaureate and masters degree equivalency standards for vocational instructors performing instructional duties and acquiring certification after August 31, 1992.

The fee for any certificate, or any renewal thereof, issued by the authority of the state of Washington, and authorizing the holder to teach or perform other professional duties in the public schools of the state shall be not less than one dollar or such reasonable fee therefor as the ((state board of education)) Washington professional educator standards board by rule ((or regulation)) shall deem necessary therefor. The fee must accompany the application and cannot be refunded unless the application is withdrawn before it is finally considered. The educational service district superintendent, or other official authorized to receive such fee, shall within thirty days transmit the same to the treasurer of the county in which the office of the educational service district superintendent is located, to be by him or her placed to the credit of said school district or educational service district: PROVIDED, That if any school district collecting fees for the certification of professional staff does not hold a professional training institute separate from the educational service district then all such moneys shall be placed to the credit of the educational service district.

Such fees shall be used solely for the purpose of precertification professional preparation, program evaluation, and professional in-service training programs in accord with rules ((and regulations)) of the ((state board of education)) Washington professional educator standards board herein authorized.

Any teacher whose certificate to teach has been questioned under RCW 28A.410.090 shall have a right to be heard by the issuing authority before his or her certificate is revoked. Any teacher whose certificate to teach has been revoked shall have a right of appeal to the ((state board of education)) Washington professional educator standards board if notice of appeal is given by written affidavit to the board within thirty days after the certificate is revoked.

An appeal to the ((state board of education)) Washington professional educator standards board within the time specified shall operate as a stay of revocation proceedings until the next regular or special meeting of said board and until the board's decision has been rendered.

Notwithstanding any other provision of this title, the ((state board of education)) Washington professional educator standards board or superintendent of public instruction shall not require any professional certification or other qualifications of any person elected superintendent of a local school district by that district's board of directors, or any person hired in any manner to fill a position designated as, or which is, in fact, deputy superintendent, or assistant superintendent.

(1) Credits earned by certificated instructional staff after September 1, 1995, shall be eligible for application to the salary

schedule developed by the legislative evaluation and accountability program committee only if the course content:

(a) Is consistent with a school-based plan for mastery of student learning goals as referenced in RCW ((28A.320.205)) 28A.655.110, the annual school performance report, for the school in which the individual is assigned;

(b) Pertains to the individual's current assignment or expected assignment for the subsequent school year;

(c) Is necessary to obtain an endorsement as prescribed by the ((state board of education)) Washington professional educator standards board;

(d) Is specifically required to obtain advanced levels of certification; or

(e) Is included in a college or university degree program that pertains to the individual's current assignment, or potential future assignment, as a certified instructional staff.

(2) For the purpose of this section, "credits" mean college quarter hour credits and equivalent credits for approved in-service, approved continuing education, or approved internship hours computed in accordance with RCW 28A.415.020.

(3) The superintendent of public instruction shall adopt rules and standards consistent with the limits established by this section for certificated instructional staff.

The ((state board of education)) Washington professional educator standards board rules for continuing education shall provide that educational staff associates may use credits or clock hours that satisfy the continuing education requirements for their state professional licensure, if any, to fulfill the continuing education requirements established by the ((state board of education)) Washington professional educator standards board.

(1) The Washington state minority teacher recruitment program is established. The program shall be administered by the ((state board of education)) Washington professional educator standards board. The ((state board of education)) Washington professional educator standards board shall consult with the higher education coordinating board, representatives of institutions of higher education, education organizations having an interest in teacher recruitment issues, the superintendent of public instruction, the state board for community and technical colleges, the department of employment security, and the work force training and education coordinating board. The program shall be designed to recruit future teachers from students in the targeted groups who are in the ninth through twelfth grades and from adults in the targeted groups who have entered other occupations.

(2) The program shall include the following:

(a) Encouraging students in targeted groups in grades nine through twelve to acquire the academic and related skills necessary to prepare for the study of teaching at an institution of higher education;

(b) Promoting teaching career opportunities to develop an awareness of opportunities in the education profession;

(c) Providing opportunities for students to experience the application of regular high school course work to activities related to a teaching career; and

(d) Providing for increased cooperation among institutions of higher education including community colleges, the superintendent of public instruction, the ((state board of education)) Washington professional educator standards board, and local school districts in working toward the goals of the program.

The term "certificated employee" as used in RCW 28A.195.010, 28A.150.060, 28A.150.260, 28A.405.100, 28A.405.210, 28A.405.240, 28A.405.250, 28A.405.300 through 28A.405.380, and chapter 41.59 RCW, shall include those persons who hold certificates as authorized by rule ~~((or regulation))~~ of the ~~((state board of education))~~ Washington professional educator standards board or the superintendent of public instruction.

(1) Grants provided under RCW 28A.170.090 may be used solely for services provided by a substance abuse intervention specialist or for dedicated staff time for counseling and intervention services provided by any school district certificated employee who has been trained by and has access to consultation with a substance abuse intervention specialist. Services shall be directed at assisting students in kindergarten through twelfth grade in overcoming problems of drug and alcohol abuse, and in preventing abuse and addiction to such substances, including nicotine. The grants shall require local matching funds so that the grant amounts support a maximum of eighty percent of the costs of the services funded. The services of a substance abuse intervention specialist may be obtained by means of a contract with a state or community services agency or a drug treatment center. Services provided by a substance abuse intervention specialist may include:

- (a) Individual and family counseling, including preventive counseling;
- (b) Assessment and referral for treatment;
- (c) Referral to peer support groups;
- (d) Aftercare;
- (e) Development and supervision of student mentor programs;
- (f) Staff training, including training in the identification of high-risk children and effective interaction with those children in the classroom; and
- (g) Development and coordination of school drug and alcohol core teams, involving staff, students, parents, and community members.

(2) For the purposes of this section, "substance abuse intervention specialist" means any one of the following, except that diagnosis and assessment, counseling and aftercare specifically identified with treatment of chemical dependency shall be performed only by personnel who meet the same qualifications as are required of a qualified chemical dependency counselor employed by an alcoholism or drug treatment program approved by the department of social and health services.

(a) An educational staff associate employed by a school district or educational service district who holds certification as a school counselor, school psychologist, school nurse, or school social worker under ~~((state board of education))~~ Washington professional educator standards board rules adopted pursuant to RCW ~~((28A.305.130))~~ 28A.410.210;

(b) An individual who meets the definition of a qualified drug or alcohol counselor established by the bureau of alcohol and substance abuse;

(c) A counselor, social worker, or other qualified professional employed by the department of social and health services;

(d) A psychologist licensed under chapter 18.83 RCW; or

(e) A children's mental health specialist as defined in RCW 71.34.020.

(1) As used in this chapter, unless the context thereof shall clearly indicate to the contrary:

"Education center" means any private school operated on a profit or nonprofit basis which does the following:

(a) Is devoted to the teaching of basic academic skills, including specific attention to improvement of student motivation for achieving, and employment orientation.

(b) Operates on a clinical, client centered basis. This shall include, but not be limited to, performing diagnosis of individual educational abilities, determination and setting of individual goals, prescribing and providing individual courses of instruction therefor, and evaluation of each individual client's progress in his or her educational program.

(c) Conducts courses of instruction by professionally trained personnel certificated by the ~~((state board of education))~~ Washington professional educator standards board according to rules adopted for the purposes of this chapter and providing, for certification purposes, that a year's teaching experience in an education center shall be deemed equal to a year's teaching experience in a common or private school.

(2) For purposes of this chapter, basic academic skills shall include the study of mathematics, speech, language, reading and composition, science, history, literature and political science or civics; it shall not include courses of a vocational training nature and shall not include courses deemed nonessential to the accrediting of the common schools or the approval of private schools under RCW 28A.305.130.

(3) The state board of education shall certify an education center only upon application and (a) determination that such school comes within the definition thereof as set forth in subsection (1) of this section and (b) demonstration on the basis of actual educational performance of such applicants' students which shows after consideration of their students' backgrounds, educational gains that are a direct result of the applicants' educational program. Such certification may be withdrawn if the board finds that a center fails to provide adequate instruction in basic academic skills. No education center certified by the state board of education pursuant to this section shall be deemed a common school under RCW 28A.150.020 or a private school for the purposes of RCW 28A.195.010 through 28A.195.050.

In accordance with chapter 34.05 RCW, the administrative procedure act, the ~~((state board of education))~~ Washington professional educator standards board with respect to the matter of certification, and the superintendent of public instruction with respect to all other matters, shall have the power and duty to make the necessary rules to carry out the purpose and intent of this chapter.

No teacher, principal, supervisor, superintendent, or other certificated employee, holding a position as such with a school district, hereinafter referred to as "employee", shall be employed except by written order of a majority of the directors of the district at a regular or special meeting thereof, nor unless he or she is the holder of an effective teacher's certificate or other certificate required by law or the ~~((state board of education))~~ Washington professional educator standards board for the position for which the employee is employed.

The board shall make with each employee employed by it a written contract, which shall be in conformity with the laws of this state, and except as otherwise provided by law, limited to a term of not more than one year. Every such contract shall be made in duplicate, one copy to be retained by the school district superintendent or secretary and one copy to be delivered to the employee. No contract shall be offered by any board for the employment of any employee who has previously signed an employment contract for that same term in another school district of the state of Washington unless such employee shall have been

released from his or her obligations under such previous contract by the board of directors of the school district to which he or she was obligated. Any contract signed in violation of this provision shall be void.

In the event it is determined that there is probable cause or causes that the employment contract of an employee should not be renewed by the district for the next ensuing term such employee shall be notified in writing on or before May 15th preceding the commencement of such term of that determination, or if the omnibus appropriations act has not passed the legislature by May 15th, then notification shall be no later than June 1st, which notification shall specify the cause or causes for nonrenewal of contract. Such determination of probable cause for certificated employees, other than the superintendent, shall be made by the superintendent. Such notice shall be served upon the employee personally, or by certified or registered mail, or by leaving a copy of the notice at the house of his or her usual abode with some person of suitable age and discretion then resident therein. Every such employee so notified, at his or her request made in writing and filed with the president, chair or secretary of the board of directors of the district within ten days after receiving such notice, shall be granted opportunity for hearing pursuant to RCW 28A.405.310 to determine whether there is sufficient cause or causes for nonrenewal of contract: PROVIDED, That any employee receiving notice of nonrenewal of contract due to an enrollment decline or loss of revenue may, in his or her request for a hearing, stipulate that initiation of the arrangements for a hearing officer as provided for by RCW 28A.405.310(4) shall occur within ten days following July 15 rather than the day that the employee submits the request for a hearing. If any such notification or opportunity for hearing is not timely given, the employee entitled thereto shall be conclusively presumed to have been reemployed by the district for the next ensuing term upon contractual terms identical with those which would have prevailed if his or her employment had actually been renewed by the board of directors for such ensuing term.

This section shall not be applicable to "provisional employees" as so designated in RCW 28A.405.220; transfer to a subordinate certificated position as that procedure is set forth in RCW 28A.405.230 shall not be construed as a nonrenewal of contract for the purposes of this section.

The University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College are each authorized to train teachers and other personnel for whom teaching certificates or special credentials prescribed by the ((state board of education)) Washington professional educator standards board are required, for any grade, level, department, or position of the public schools of the state.

(1) The purpose of this chapter is to establish guidelines for the regulation of the real estate profession and other business professions which may seek legislation to substantially increase their scope of practice or the level of regulation of the profession, and for the regulation of business professions not licensed or regulated on July 26, 1987: PROVIDED, That the provisions of this chapter are not intended and shall not be construed to: (a) Apply to any regulatory entity created prior to July 26, 1987, except as provided in this chapter; (b) affect the powers and responsibilities of the superintendent of public instruction or ((state board of education)) Washington professional educator standards board under RCW ((28A.305.130)) 28A.410.210 and 28A.410.010; (c) apply to or

interfere in any way with the practice of religion or to any kind of treatment by prayer; (d) apply to any remedial or technical amendments to any statutes which licensed or regulated activity before July 26, 1987; and (e) apply to proposals relating solely to continuing education. The legislature believes that all individuals should be permitted to enter into a business profession unless there is an overwhelming need for the state to protect the interests of the public by restricting entry into the profession. Where such a need is identified, the regulation adopted by the state should be set at the least restrictive level consistent with the public interest to be protected.

(2) It is the intent of this chapter that no regulation shall be imposed upon any business profession except for the exclusive purpose of protecting the public interest. All bills introduced in the legislature to regulate a business profession for the first time should be reviewed according to the following criteria. A business profession should be regulated by the state only when:

(a) Unregulated practice can clearly harm or endanger the health, safety, or welfare of the public, and the potential for the harm is easily recognizable and not remote or dependent upon tenuous argument;

(b) The public needs and can reasonably be expected to benefit from an assurance of initial and continuing professional ability; and

(c) The public cannot be effectively protected by other means in a more cost-beneficial manner.

(3) After evaluating the criteria in subsection (2) of this section and considering governmental and societal costs and benefits, if the legislature finds that it is necessary to regulate a business profession not previously regulated by law, the least restrictive alternative method of regulation should be implemented, consistent with the public interest and this section:

(a) Where existing common law and statutory civil actions and criminal prohibitions are not sufficient to eradicate existing harm, the regulation should provide for stricter civil actions and criminal prosecutions;

(b) Where a service is being performed for individuals involving a hazard to the public health, safety, or welfare, the regulation should impose inspection requirements and enable an appropriate state agency to enforce violations by injunctive relief in court, including, but not limited to, regulation of the business activity providing the service rather than the employees of the business;

(c) Where the threat to the public health, safety, or economic well-being is relatively small as a result of the operation of the business profession, the regulation should implement a system of registration;

(d) Where the consumer may have a substantial basis for relying on the services of a practitioner, the regulation should implement a system of certification; or

(e) Where apparent that adequate regulation cannot be achieved by means other than licensing, the regulation should implement a system of licensing.

(1) The purpose of this chapter is to establish guidelines for the regulation of health professions not licensed or regulated prior to July 24, 1983, and those licensed or regulated health professions which seek to substantially increase their scope of practice: PROVIDED, That the provisions of this chapter are not intended and shall not be construed to: (a) Apply to any regulatory entity created prior to July 24, 1983, except as provided in this chapter; (b) affect the powers and responsibilities of the superintendent of public instruction or ((state board of education)) Washington professional educator standards board under RCW ((28A.305.130)) 28A.410.210 and 28A.410.010;

(c) apply to or interfere in any way with the practice of religion or to any kind of treatment by prayer; and (d) apply to any remedial or technical amendments to any statutes which licensed or regulated activity before July 24, 1983. The legislature believes that all individuals should be permitted to enter into a health profession unless there is an overwhelming need for the state to protect the interests of the public by restricting entry into the profession. Where such a need is identified, the regulation adopted by the state should be set at the least restrictive level consistent with the public interest to be protected.

(2) It is the intent of this chapter that no regulation shall, after July 24, 1983, be imposed upon any health profession except for the exclusive purpose of protecting the public interest. All bills introduced in the legislature to regulate a health profession for the first time should be reviewed according to the following criteria. A health profession should be regulated by the state only when:

(a) Unregulated practice can clearly harm or endanger the health, safety, or welfare of the public, and the potential for the harm is easily recognizable and not remote or dependent upon tenuous argument;

(b) The public needs and can reasonably be expected to benefit from an assurance of initial and continuing professional ability; and

(c) The public cannot be effectively protected by other means in a more cost-beneficial manner.

(3) After evaluating the criteria in subsection (2) of this section and considering governmental and societal costs and benefits, if the legislature finds that it is necessary to regulate a health profession not previously regulated by law, the least restrictive alternative method of regulation should be implemented, consistent with the public interest and this section:

(a) Where existing common law and statutory civil actions and criminal prohibitions are not sufficient to eradicate existing harm, the regulation should provide for stricter civil actions and criminal prosecutions;

(b) Where a service is being performed for individuals involving a hazard to the public health, safety, or welfare, the regulation should impose inspection requirements and enable an appropriate state agency to enforce violations by injunctive relief in court, including, but not limited to, regulation of the business activity providing the service rather than the employees of the business;

(c) Where the threat to the public health, safety, or economic well-being is relatively small as a result of the operation of the health profession, the regulation should implement a system of registration;

(d) Where the consumer may have a substantial basis for relying on the services of a practitioner, the regulation should implement a system of certification; or

(e) Where apparent that adequate regulation cannot be achieved by means other than licensing, the regulation should implement a system of licensing.

Teachers of visually impaired students shall be qualified according to rules adopted by the ~~((state board of education))~~ professional educator standards board.

PART 3 TRANSFER OF POWERS AND DUTIES

(1) The state board of education as constituted prior to the effective date of this section is hereby abolished and its powers, duties, and functions are hereby transferred to the state board of education as specified in this act. All references to the director or the state board of education as constituted prior to the effective date of

this section in the Revised Code of Washington shall be construed to mean the director or the state board of education as specified in this act.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the state board of education as constituted prior to the effective date of this section shall be delivered to the custody of the state board of education as specified in this act. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the state board of education as constituted prior to the effective date of this section shall be made available to the state board of education as specified in this act. All funds, credits, or other assets held by the state board of education as constituted prior to the effective date of this section shall be assigned to the state board of education as specified in this act.

(b) Any appropriations made to the state board of education as constituted prior to the effective date of this section shall, on the effective date of this section, be transferred and credited to the state board of education as specified in this act.

(c) If any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All employees of the state board of education as constituted prior to the effective date of this section are transferred to the jurisdiction of the state board of education as specified in this act. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the state board of education as specified in this act to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

(4) All rules and all pending business before the state board of education as constituted prior to the effective date of this section shall be continued and acted upon by the state board of education as specified in this act. All existing contracts and obligations shall remain in full force and shall be performed by the state board of education as specified in this act.

(5) The transfer of the powers, duties, functions, and personnel of the state board of education as constituted prior to the effective date of this section shall not affect the validity of any act performed before the effective date of this section.

(6) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(7) Nothing contained in this section may be construed to alter any existing collective bargaining unit or the provisions of any existing collective bargaining agreement until the agreement has expired or until the bargaining unit has been modified by action of the personnel resources board as provided by law.

(1) The academic achievement and accountability commission is hereby abolished and its powers, duties, and functions are hereby transferred to the state board of education. All references to the director or the academic achievement and accountability commission in the Revised Code of Washington shall be construed to mean the director or the state board of education.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the academic achievement and accountability commission shall be delivered to the custody of the state board of education. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the academic achievement and accountability commission shall be made available to the state board of education. All funds, credits, or other assets held by the academic achievement and accountability commission shall be assigned to the state board of education.

(b) Any appropriations made to the academic achievement and accountability commission shall, on the effective date of this section, be transferred and credited to the state board of education.

(c) If any question arises as to the transfer of any funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All rules and all pending business before the academic achievement and accountability commission shall be continued and acted upon by the state board of education. All existing contracts and obligations shall remain in full force and shall be performed by the state board of education.

(4) The transfer of the powers, duties, and functions of the academic achievement and accountability commission shall not affect the validity of any act performed before the effective date of this section.

(5) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

(6) Nothing contained in this section may be construed to alter any existing collective bargaining unit or the provisions of any existing collective bargaining agreement until the agreement has expired or until the bargaining unit has been modified by action of the personnel resources board as provided by law.

PART 4 MISCELLANEOUS

The following acts or parts of acts as now existing or hereafter amended, are each repealed:

(1) RCW 28A.305.010 (Composition of board) and 1992 c 56 s 1, 1990 c 33 s 257, 1988 c 255 s 1, 1980 c 179 s 1, & 1969 ex.s. c 223 s 28A.04.010;

(2) RCW 28A.305.020 (Call and notice of elections) and 1990 c 33 s 258, 1988 c 255 s 2, 1981 c 38 s 1, & 1969 ex.s. c 223 s 28A.04.020;

(3) RCW 28A.305.030 (Elections in new congressional districts--Call and conduct of--Member terms--Transitional measures to reduce number of members from each district) and 1992 c 56 s 3, 1990 c 33 s 259, 1982 1st ex.s. c 7 s 1, & 1969 ex.s. c 223 s 28A.04.030;

(4) RCW 28A.305.040 (Declarations of candidacy--Qualifications of candidates--Members restricted from service on local boards--Forfeiture of office) and 1990 c 33 s 260, 1982 1st ex.s. c 7 s 2, 1980 c 179 s 4, 1975 1st ex.s. c 275 s 49, 1971 c 48 s 1, & 1969 ex.s. c 223 s 28A.04.040;

(5) RCW 28A.305.050 (Qualifications of voters--Ballots--Voting instructions--Candidates' biographical data) and 1990 c 33

s 261, 1988 c 255 s 3, 1981 c 38 s 2, & 1969 ex.s. c 223 s 28A.04.050;

(6) RCW 28A.305.060 (Election procedure--Certificate) and 1990 c 33 s 262, 1981 c 38 s 3, 1980 c 179 s 5, 1975 c 19 s 2, 1969 ex.s. c 283 s 25, & 1969 ex.s. c 223 s 28A.04.060;

(7) RCW 28A.305.070 (Action to contest election--Grounds--Procedure) and 1980 c 179 s 6 & 1975 c 19 s 1;

(8) RCW 28A.305.080 (Terms of office) and 1992 c 56 s 2, 1990 c 33 s 263, & 1969 ex.s. c 223 s 28A.04.070;

(9) RCW 28A.305.090 (Vacancies, filling) and 1990 c 33 s 264 & 1969 ex.s. c 223 s 28A.04.080;

(10) RCW 28A.305.100 (Superintendent as ex officio member and chief executive officer of board) and 1982 c 160 s 1 & 1969 ex.s. c 223 s 28A.04.090;

(11) RCW 28A.305.110 (Executive director--Secretary of board) and 1996 c 25 s 1, 1990 c 33 s 265, 1982 c 160 s 3, & 1969 ex.s. c 223 s 28A.04.100;

(12) RCW 28A.305.120 (Meetings--Compensation and travel expenses of members) and 1984 c 287 s 60, 1975-'76 2nd ex.s. c 34 s 67, 1973 c 106 s 13, & 1969 ex.s. c 223 s 28A.04.110;

(13) RCW 28A.305.200 (Seal) and 1969 ex.s. c 223 s 28A.04.140; and

(14) RCW 28A.300.130 (Center for the improvement of student learning--Educational improvement and research--Clearinghouse for academic achievement and accountability commission and for information regarding educational improvement and parental involvement programs) and 1999 c 388 s 401, 1996 c 273 s 5, 1993 c 336 s 501, & 1986 c 180 s 1.

The following acts or parts of acts are each repealed:

(15) RCW 28A.655.020 (Academic achievement and accountability commission) and 1999 c 388 s 101;

(16) RCW 28A.655.030 (Essential academic learning requirements and assessments--Duties of the academic achievement and accountability commission) and 2004 c 19 s 205, 2002 c 37 s 1, & 1999 c 388 s 102; and

(17) RCW 28A.655.900 (Transfer of powers, duties, and functions) and 1999 c 388 s 502.

The superintendent of public instruction may appoint assistant superintendents of public instruction, a deputy superintendent of public instruction, and may employ such other assistants and clerical help as are necessary to carry out the duties of the superintendent and the state board of education. However, the superintendent shall employ without undue delay the executive director of the state board of education and other state board of education office assistants and clerical help, appointed by the state board under RCW ((28A.305.110)) 28A.305.130, whose positions are allotted and funded in accordance with moneys appropriated exclusively for the operation of the state board of education. The rate of compensation and termination of any such executive director, state board office assistants, and clerical help shall be subject to the prior consent of the state board of education. The assistant superintendents, deputy superintendent, and such other officers and employees as are exempted from the provisions of chapter 41.06 RCW, shall serve at the pleasure of the superintendent or at the pleasure of the superintendent and the state board of education as provided in this section. Expenditures by the superintendent of public instruction for direct and indirect support of the state board of education are valid operational expenditures by and in behalf of the office of the superintendent of public instruction.

Any common school district board member eligible to vote for a candidate for membership on an educational service district or any candidate for the position, within ten days after the secretary to the state board of education's certification of election, may contest the election of the candidate pursuant to chapter 29A.68 RCW ((28A.305.070)).

(1) The superintendent of public instruction shall furnish to the state board and to regional committees the services of employed personnel and the materials and supplies necessary to enable them to perform the duties imposed upon them by this chapter and shall reimburse the members thereof for expenses necessarily incurred by them in the performance of their duties, such reimbursement for regional committee members to be in accordance with RCW 28A.315.155, and such reimbursement for state board members to be in accordance with ((RCW 28A.305.120)) section 101 of this act.

(2) Costs that may be incurred by an educational service district in association with school district negotiations under RCW 28A.315.195 and supporting the regional committee under RCW 28A.315.205 shall be reimbursed by the state from such funds as are appropriated for these purposes.

The professional educator standards board shall conduct a comprehensive analysis of the strengths and weaknesses of Washington's educator and administrator certification and preparation systems, and by December 1, 2005, transmit its findings and any recommendations to the legislative committees on education, the superintendent of public instruction, the state board of education, and the governor. The board shall use the analysis to develop a planning document to guide the assumption of policy and rule-making authority responsibilities for educator and administrator preparation and certification, consistent with the board's purpose.

A joint subcommittee of the early learning, K-12 and higher education committee of the senate and the education committee of the house of representatives, in collaboration with the state board of education, school directors, administrators, principals, the superintendent of public instruction, parents, teachers, and other interested parties, shall review the statutory duties of the state board of education held before the effective date of this section, except the duties for educator certification that have been transferred to the professional educator standards board. Recommendations shall be reported to the early learning, K-12 and higher education committee of the senate and the education committee of the house of representatives by December 15, 2005.

Part headings used in this act are not any part of the law.

Sections 101, 103, 105, 106, 201 through 219, 301, 401, and 403 through 405 of this act take effect January 1, 2006.

Sections 104, 302, 402, and 406 through 408 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 July 1, 2005.

Section 102 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately."

On page 1, line 4 of the title, after "commission;" strike the remainder of the title and insert "amending RCW 28A.305.130, 28A.505.210, 28A.655.070, 28A.410.210, 28A.410.200, 28A.410.010, 28A.410.040, 28A.410.050, 28A.410.060, 28A.410.100, 28A.410.120, 28A.415.023, 28A.415.060, 28A.415.205, 28A.150.060, 28A.170.080, 28A.205.010, 28A.205.050, 28A.405.210, 28B.10.140, 18.118.010, 18.120.010, 28A.410.032, 28A.300.020, 28A.310.110, and 28A.315.085; adding new sections to chapter 28A.305 RCW; creating new sections; repealing RCW 28A.305.010, 28A.305.020, 28A.305.030, 28A.305.040, 28A.305.050, 28A.305.060, 28A.305.070, 28A.305.080, 28A.305.090, 28A.305.100, 28A.305.110, 28A.305.120, 28A.305.200, 28A.300.130, 28A.655.020, 28A.655.030, and 28A.655.900; providing effective dates; and declaring an emergency."

Representative Fromhold moved the adoption of amendment (566) to amendment (561):

On page 1, line 17 of the amendment, after "instruction" insert ", who shall be the president of the board,"

On page 1, line 19 of the amendment, after " (a) " strike "Five" and insert "Seven"

On page 1, line 23 of the amendment, after " (b) " strike "Seven" and insert "Five"

Representatives Fromhold, Cox and Eickmeyer spoke in favor of the adoption of the amendment to the amendment.

Representatives McDermott and Talcott spoke against the adoption of the amendment to the amendment.

The amendment to the amendment was adopted.

Division was demanded and the demand was sustained. The Speaker (Representative Lovick presiding) divided the House. The results was 49 - YEAS; 48 -NAYS.

Representative McDermott moved the adoption of amendment (565) to amendment (561):

On page 14, beginning on line 29 of the amendment, strike all of subsection (7)

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

On page 38, at the beginning of line 2 of the amendment, strike "219" and insert "220"

Representatives McDermott and Talcott spoke in favor of the adoption of the amendment to the amendment.

The amendment to the amendment was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House was placed on final passage.

Representatives McDermott, Talcott, Hunter and Quall spoke in favor of passage of the bill.

The Speaker stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 5732, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 5732, as amended by the House and the bill passed the House by the following vote: Yeas - 86, Nays - 11, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clibborn, Cody, Condotta, Conway, Cox, Curtis, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Ormsby, Pearson, Pettigrew, Priest, Quall, Roberts, Rodne, Santos, Schual-Berke, Sells, Serben, Shabro, Sommers, Springer, Strow, Sullivan, B., Takko, Talcott, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 86.

Voting nay: Representatives Clements, Crouse, Dunn, Kretz, Orcutt, Roach, Schindler, Simpson, Skinner, Sullivan, P. and Sump - 11.

Excused: Representative Tom - 1.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5732, as amended by the House, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 6064, By Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senators Benton and Fairley)

Limiting the powers of homeowners' associations.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Judiciary was not adopted. (For committee amendment, see Journal, 82nd Day, April 1, 2005.)

With the consent of the House, amendment (560) was withdrawn.

There being no objection, the rules were suspended, the second reading considered the third and the bill was placed on final passage.

Representatives Lantz, Flannigan, Williams and Campbell spoke in favor of passage of the bill.

Representative Priest, Nixon, Dunn, Hinkle, Buck, Ahern, Clements, DeBolt, Sump, Orcutt, Strow, Rodne, Shabro, Walsh, Pearson, Anderson, Ericksen and Dunn (again) spoke against the passage of the bill.

Representative Campbell demanded the previous question.

The Speaker stated the question before the House to be the final passage of Substitute Senate Bill No. 6064.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6064 and the bill passed the House by the following vote: Yeas - 50, Nays - 47, Absent - 0, Excused - 1.

Voting yea: Representatives Appleton, Blake, Campbell, Chase, Clibborn, Cody, Condotta, Conway, Curtis, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Flannigan, Fromhold, Grant, Green, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, McCoy, McDermott, McIntire, Miloscia, Morrell, Murray, O'Brien, Ormsby, Pettigrew, Roberts, Santos, Schual-Berke, Sells, Sommers, Springer, Sullivan, B., Upthegrove, Williams, Wood and Mr. Speaker - 50.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Chandler, Clements, Cox, Crouse, Dunn, Ericks, Ericksen, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kretz, Kristiansen, Lovick, McCune, McDonald, Moeller, Morris, Newhouse, Nixon, Orcutt, Pearson, Priest, Quall, Roach, Rodne, Schindler, Serben, Shabro, Simpson, Skinner, Strow, Sullivan, P., Sump, Takko, Talcott, Wallace, Walsh and Woods - 47.

Excused: Representative Tom - 1.

SUBSTITUTE SENATE BILL NO. 6064, having received the necessary constitutional majority, was declared passed.

SUBSTITUTE SENATE BILL NO. 6078, By Senate Committee on Ways & Means (originally sponsored by Senators Regala and Kohl-Welles)

Controlling state expenditures.

The bill was read the second time.

On motion of Representative Sommers, the committee amendment by the Committee on Appropriations was before

the House for purpose of amendments. (For committee amendment, see Journal, 85th Day, April 4, 2005.)

Representative Anderson moved the adoption of amendment (474) to the committee amendment:

On page 3, line 5 of the amendment, after "**Sec. 2.**" strike everything through "immediately." on line 8 and insert: "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."

Representative Alexander spoke in favor of the adoption of the amendment to the committee amendment.

Representative McIntire spoke against the adoption of the amendment to the committee amendment.

An electronic roll call vote was demanded and the demand was sustained.

The Speaker (Representative Lovick presiding) stated the question before the House to be adoption of amendment (464) to Substitute Senate Bill No. 6078.

ROLL CALL

The Clerk called the roll on the adoption of amendment (464) to Substitute Senate Bill No. 6078, and the amendment was not adopted by the following vote: Yeas - 47, Nays - 50, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericksen, Green, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, Linville, McCune, McDonald, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Springer, Strow, Sump, Talcott, Wallace, Walsh and Woods - 47.

Voting nay: Representatives Appleton, Blake, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Sullivan, B., Sullivan, P., Takko, Upthegrove, Williams, Wood and Mr. Speaker - 50.

Excused: Representative Tom - 1.

Representative Armstrong moved the adoption of amendment (473) to the committee amendment:

On page 3 of the amendment, beginning on line 5, strike all of section 2.

Representative Armstrong spoke in favor of the adoption of the amendment to the committee amendment.

Representative Quall spoke against the adoption of the amendment to the committee amendment.

An electronic roll call vote was demanded and the demand was sustained.

The Speaker stated the question before the House to be adoption of amendment (473) to the committee amendment to Substitute Senate Bill No. 6078.

ROLL CALL

The Clerk called the roll on the adoption of amendment (473) to the committee amendment to Substitute Senate Bill No. 6078, and the amendment was not adopted by the following vote: Yeas - 47, Nays - 49, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Ericksen, Green, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, Linville, McCune, McDonald, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Springer, Strow, Sump, Takko, Talcott, Wallace, Walsh and Woods - 47.

Voting nay: Representatives Appleton, Blake, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Sullivan, B., Sullivan, P., Upthegrove, Williams, Woo, and Mr. Speaker - 49.

Excused: Representatives Dunn and Tom - 2.

Representative Alexander moved the adoption of amendment (472) to the committee amendment:

Strike everything after page 1, line 2 of the amendment and insert the following:

"Sec. 1. RCW 43.135.025 and 2000 2nd sp.s. c 2 s 1 are each amended to read as follows:

(1) The state shall not expend from the general fund during any fiscal year state moneys in excess of the state expenditure limit established under this chapter.

(2) Except pursuant to a declaration of emergency under RCW 43.135.035 or pursuant to an appropriation under RCW 43.135.045(4)(b), the state treasurer shall not issue or redeem any check, warrant, or voucher that will result in a state general fund expenditure for any fiscal year in excess of the state expenditure limit established under this chapter. A violation of this subsection constitutes a violation of RCW 43.88.290 and shall subject the state treasurer to the penalties provided in RCW 43.88.300.

(3) The state expenditure limit for any fiscal year shall be the previous fiscal year's state expenditure limit increased by a percentage rate that equals the fiscal growth factor.

(4) For purposes of computing the state expenditure limit for the fiscal year beginning July 1, ~~((1995))~~ 2005, the phrase "the previous fiscal year's state expenditure limit" means the total state expenditures from the state general fund ~~((not including federal funds,))~~ for the fiscal year beginning July 1, ~~((1989))~~ 2004, plus the fiscal growth factor. ~~((This calculation is then computed for the state expenditure limit for fiscal years 1992, 1993, 1994, and 1995, and as required under RCW 43.135.035(4).))~~

(5) A state expenditure limit committee is established for the purpose of determining and adjusting the state expenditure limit as provided in this chapter. The six members of the state expenditure limit committee are the director of financial management, the attorney general or the attorney general's designee, and the chairs and ranking minority members of the senate committee on ways and means and the house of representatives committee on appropriations. All actions of the state expenditure limit committee taken pursuant to this chapter require an affirmative vote of at least ~~((three))~~ four members.

(6) Each November, the state expenditure limit committee shall adjust the expenditure limit for the preceding fiscal year based on actual expenditures and known changes in the fiscal growth factor and then project an expenditure limit for the next two fiscal years. If, by November 30th, the state expenditure limit committee has not adopted the expenditure limit adjustment and projected expenditure limit as provided in subsection (5) of this section, the attorney general or his or her designee shall adjust or project the expenditure limit, as necessary.

(7) "Fiscal growth factor" means the average of the sum of inflation and population change for each of the ~~((prior))~~ three fiscal years prior to the year for which the state expenditure limit is being adopted.

(8) "Inflation" means the percentage change in the implicit price deflator for the United States for each fiscal year as published by the federal bureau of labor statistics.

(9) "Population change" means the percentage change in state population for each fiscal year as reported by the office of financial management.

Sec. 2. RCW 43.135.035 and 2001 c 3 s 8 and 2000 2nd sp.s. c 2 s 2 are each reenacted and amended to read as follows:

(1) After July 1, 1995, any action or combination of actions by the legislature that raises state revenue or requires revenue-neutral tax shifts may be taken only if approved by a two-thirds vote of each house, and then only if state expenditures in any fiscal year, including the new revenue, will not exceed the state expenditure limits established under this chapter.

(2)(a) If the legislative action under subsection (1) of this section will result in expenditures in excess of the state expenditure limit, then the action of the legislature shall not take effect until approved by a vote of the people at a November general election. The ~~((office of financial management))~~ state expenditure limit committee shall adjust the state expenditure limit by the amount of additional revenue approved by the voters under this section. This adjustment shall not exceed the amount of revenue generated by the legislative action during the first full fiscal year in which it is in effect. The state expenditure limit shall be adjusted downward upon expiration or repeal of the legislative action.

(b) The ballot title for any vote of the people required under this section shall be substantially as follows:

"Shall taxes be imposed on in order to allow a spending increase above last year's authorized spending adjusted for inflation and population increases?"

(3)(a) The state expenditure limit may be exceeded upon declaration of an emergency for a period not to exceed twenty-four months by a law approved by a two-thirds vote of each house of the legislature and signed by the governor. The law shall set forth the nature of the emergency, which is limited to natural disasters that require immediate government action to alleviate human suffering and provide humanitarian assistance. The state expenditure limit may be exceeded for no more than twenty-four months following the declaration of the emergency and only for the purposes contained in the emergency declaration.

(b) Additional taxes required for an emergency under this section may be imposed only until thirty days following the next general election, unless an extension is approved at that general election. The additional taxes shall expire upon expiration of the declaration of emergency. The legislature shall not impose additional taxes for emergency purposes under this subsection unless funds in the education construction fund have been exhausted.

(c) The state or any political subdivision of the state shall not impose any tax on intangible property listed in RCW 84.36.070 as that statute exists on January 1, 1993.

(4) If the cost of any state program or function is shifted from the state general fund ~~((on or after January 1, 1993.))~~ to another source of funding, or if moneys are transferred from the state general fund to another fund or account, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall lower the state expenditure limit to reflect the shift. For the purposes of this section, a transfer of money from the state general fund to another fund or account includes any state legislative action taken after July 1, 2000, that has the effect of reducing revenues from a particular source, where such revenues would otherwise be deposited into the state general fund, while increasing the revenues from that particular source to another state or local government account. For purposes of this section, a shift of program costs means the shift of any portion of the program cost, including the shift of any expenditure growth in the program. This subsection does not apply to the dedication or use of lottery revenues under RCW 67.70.240(3) or property taxes under RCW 84.52.068, in support of education or education expenditures.

(5) If the cost of any state program or function is shifted to the state general fund on or after January 1, ~~((2000))~~ 2005, from another source of funding, ~~((or if moneys are transferred to the state general fund from another fund or account,))~~ the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall increase the state expenditure limit to reflect the shift. However, the limit may be increased for such a program cost shift only if:

(a) The legislature requires the deposit in the general fund of an ongoing revenue source that would otherwise be deposited in the fund or account that previously supported the program, in an amount equal to the cost of the program shifted; and

(b) The redirection of the ongoing revenue source takes effect on the same date that the cost of the program is shifted.

Sec. 3. RCW 43.135.045 and 2003 1st sp.s. c 26 s 919 and 2003 1st sp.s. c 25 s 920 are each reenacted and amended to read as follows:

(1) The emergency reserve fund is established in the state treasury. During each fiscal year, the state treasurer shall deposit in the emergency reserve fund all general fund--state revenues in excess of the state expenditure limit for that fiscal year. Deposits shall be

made at the end of each fiscal quarter based on projections of state revenues and the state expenditure limit. The treasurer shall make transfers between these accounts as necessary to reconcile actual annual revenues and the expenditure limit for fiscal year 2000 and thereafter.

(2) The legislature may appropriate moneys from the emergency reserve fund only with approval of at least two-thirds of the members of each house of the legislature, and then only if the appropriation does not cause total expenditures to exceed the state expenditure limit under this chapter.

(3) The emergency reserve fund balance shall not exceed five percent of annual general fund--state revenues as projected by the official state revenue forecast. Any balance in excess of five percent shall be transferred on a quarterly basis by the state treasurer as follows: Seventy-five percent to the student achievement fund hereby created in the state treasury and twenty-five percent to the general fund balance. The treasurer shall make transfers between these accounts as necessary to reconcile actual annual revenues for fiscal year 2000 and thereafter. When per-student state funding for the maintenance and operation of K-12 education meets a level of no less than ninety percent of the national average of total funding from all sources per student as determined by the most recent published data from the national center for education statistics of the United States department of education, as calculated by the office of financial management, further deposits to the student achievement fund shall be required only to the extent necessary to maintain the ninety-percent level. Remaining funds are part of the general fund balance and these funds are subject to the expenditure limits of this chapter.

(4) The education construction fund is hereby created in the state treasury.

(a) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction. During the fiscal years beginning July 1, 2003, and ending June 30, 2005, funds may also be used for higher education facilities preservation and maintenance.

(b) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election. An appropriation approved by the people under this subsection shall result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and shall not affect any subsequent fiscal period.

(5) Funds from the student achievement fund shall be appropriated to the superintendent of public instruction strictly for distribution to school districts to meet the provisions set out in the student achievement act. Allocations shall be made on an equal per full-time equivalent student basis to each school district.

~~((6) Earnings of the emergency reserve fund under RCW 43.84.092(4)(a) shall be transferred quarterly to the multimodal transportation account, except for those earnings that are in excess of thirty-five million dollars each fiscal year. Within thirty days following any fiscal year in which earnings transferred to the multimodal transportation account under this subsection did not total thirty-five million dollars, the state treasurer shall transfer from the emergency reserve fund an amount necessary to bring the total deposited in the multimodal transportation account under this subsection to thirty-five million dollars. The revenues to the multimodal transportation account reflected in this subsection provide ongoing support for the transportation programs of the state. However, it is the intent of the legislature that any new long-term financial support that may be subsequently provided for transportation programs will be used to replace and supplant the~~

~~revenues reflected in this subsection, thereby allowing those revenues to be returned to the purposes to which they were previously dedicated. No transfers from the emergency reserve fund to the multimodal fund shall be made during the 2003-05 fiscal biennium.))~~

Sec. 4. RCW 43.135.045 and 2003 1st sp.s. c 25 s 920 are each amended to read as follows:

(1) The emergency reserve fund is established in the state treasury. During each fiscal year, the state treasurer shall deposit in the emergency reserve fund all general fund--state revenues in excess of the state expenditure limit for that fiscal year. Deposits shall be made at the end of each fiscal quarter based on projections of state revenues and the state expenditure limit. The treasurer shall make transfers between these accounts as necessary to reconcile actual annual revenues and the expenditure limit for fiscal year 2000 and thereafter.

(2) The legislature may appropriate moneys from the emergency reserve fund only with approval of at least two-thirds of the members of each house of the legislature, and then only if the appropriation does not cause total expenditures to exceed the state expenditure limit under this chapter.

(3) The emergency reserve fund balance shall not exceed five percent of annual general fund--state revenues as projected by the official state revenue forecast. Any balance in excess of five percent shall be transferred on a quarterly basis by the state treasurer as follows: Seventy-five percent to the student achievement fund hereby created in the state treasury and twenty-five percent to the general fund balance. The treasurer shall make transfers between these accounts as necessary to reconcile actual annual revenues for fiscal year 2000 and thereafter. When per-student state funding for the maintenance and operation of K-12 education meets a level of no less than ninety percent of the national average of total funding from all sources per student as determined by the most recent published data from the national center for education statistics of the United States department of education, as calculated by the office of financial management, further deposits to the student achievement fund shall be required only to the extent necessary to maintain the ninety-percent level. Remaining funds are part of the general fund balance and these funds are subject to the expenditure limits of this chapter.

(4) The education construction fund is hereby created in the state treasury.

(a) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction.

(b) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election. An appropriation approved by the people under this subsection shall result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and shall not affect any subsequent fiscal period.

(5) Funds from the student achievement fund shall be appropriated to the superintendent of public instruction strictly for distribution to school districts to meet the provisions set out in the student achievement act. Allocations shall be made on an equal per full-time equivalent student basis to each school district.

~~((6) Earnings of the emergency reserve fund under RCW 43.84.092(4)(a) shall be transferred quarterly to the multimodal transportation account, except for those earnings that are in excess of thirty-five million dollars each fiscal year. Within thirty days following any fiscal year in which earnings transferred to the multimodal transportation account under this subsection did not total~~

~~thirty-five million dollars, the state treasurer shall transfer from the emergency reserve fund an amount necessary to bring the total deposited in the multimodal transportation account under this subsection to thirty-five million dollars. The revenues to the multimodal transportation account reflected in this subsection provide ongoing support for the transportation programs of the state. However, it is the intent of the legislature that any new long-term financial support that may be subsequently provided for transportation programs will be used to replace and supplant the revenues reflected in this subsection, thereby allowing those revenues to be returned to the purposes to which they were previously dedicated. No transfers from the emergency reserve fund to the multimodal fund shall be made during the 2003-05 fiscal biennium.)~~

NEW SECTION. Sec. 5. Section 3 of this act expires June 30, 2005.

NEW SECTION. Sec. 6. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately, except for section 4 of this act which takes effect June 30, 2005."

Correct the title.

Representative Alexander spoke in favor of the adoption of the amendment to the committee amendment.

Representative McIntire spoke against the adoption of the amendment to the committee amendment.

An electronic roll call vote was demanded and the demand was sustained.

The Speaker (Representative Lovick presiding) stated the question before the House to be adoption of amendment (472) to the committee amendment to Substitute Senate Bill No. 6078.

ROLL CALL

The Clerk called the roll on the adoption of amendment (472) to the committee amendment to Substitute Senate Bill No. 6078, and the amendment was not adopted by the following vote: Yeas - 46, Nays - 50, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Ericksen, Green, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, Linville, McCune, McDonald, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Springer, Strow, Sump, Talcott, Wallace, Walsh and Woods - 46.

Voting nay: Representatives Appleton, Blake, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Lovick, McCoy, McDermott, McIntire,

Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Sullivan, B., Sullivan, P., Takko, Uptegrove, Williams, Wood and Mr. Speaker - 50.

Excused: Representatives Dunn and Tom - 2.

Representative McDonald moved the adoption of amendment (475) to the committee amendment:

Strike everything after page 1, line 2 of the amendment and insert the following:

Sec. 1. RCW 43.135.035 and 2001 c 3 s 8 and 2000 2nd sp.s. c 2 s 2 are each reenacted and amended to read as follows:

(1) ~~((After July 1, 1995, any action or combination of actions by the legislature that raises state revenue or requires revenue-neutral tax shifts may be taken only if approved by a two-thirds vote of each house, and then only if state expenditures in any fiscal year, including the new revenue, will not exceed the state expenditure limits established under this chapter))~~ A tax increase may be imposed only by a favorable vote of three-fifths of the members of each house of the legislature, as provided in Article VII, section . . . of the state Constitution (HJR 4209).

(2)(a) If the legislative action under subsection (1) of this section will result in expenditures in excess of the state expenditure limit, then the action of the legislature shall not take effect until approved by a vote of the people at a November general election. The office of financial management shall adjust the state expenditure limit by the amount of additional revenue approved by the voters under this section. This adjustment shall not exceed the amount of revenue generated by the legislative action during the first full fiscal year in which it is in effect. The state expenditure limit shall be adjusted downward upon expiration or repeal of the legislative action.

(b) The ballot title for any vote of the people required under this section shall be substantially as follows:

"Shall taxes be imposed on in order to allow a spending increase above last year's authorized spending adjusted for inflation and population increases?"

(3)(a) The state expenditure limit may be exceeded upon declaration of an emergency for a period not to exceed twenty-four months by a law approved by a two-thirds vote of each house of the legislature and signed by the governor. The law shall set forth the nature of the emergency, which is limited to natural disasters that require immediate government action to alleviate human suffering and provide humanitarian assistance. The state expenditure limit may be exceeded for no more than twenty-four months following the declaration of the emergency and only for the purposes contained in the emergency declaration.

(b) Additional taxes required for an emergency under this section may be imposed only until thirty days following the next general election, unless an extension is approved at that general election. The additional taxes shall expire upon expiration of the declaration of emergency. The legislature shall not impose additional taxes for emergency purposes under this subsection unless funds in the education construction fund have been exhausted.

(c) The state or any political subdivision of the state shall not impose any tax on intangible property listed in RCW 84.36.070 as that statute exists on January 1, 1993.

(4) If the cost of any state program or function is shifted from the state general fund on or after January 1, 1993, to another source of funding, or if moneys are transferred from the state general fund to another fund or account, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall lower the state expenditure limit to reflect the shift. For the purposes of this section, a transfer of money from the state general fund to another fund or account includes any state legislative action taken after July 1, 2000, that has the effect of reducing revenues from a particular source, where such revenues would otherwise be deposited into the state general fund, while increasing the revenues from that particular source to another state or local government account. This subsection does not apply to the dedication or use of lottery revenues under RCW 67.70.240(3) or property taxes under RCW 84.52.068, in support of education or education expenditures.

(5) If the cost of any state program or function is shifted to the state general fund on or after January 1, 2000, from another source of funding, or if moneys are transferred to the state general fund from another fund or account, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall increase the state expenditure limit to reflect the shift.

NEW SECTION. Sec. 2. This act takes effect January 1, 2006, if an amendment to Article VII of the state Constitution, HJR 4209 (requiring supermajority legislative approval for tax increases), is validly submitted to and is approved and ratified by the voters at the next general election. If the proposed amendment is not so approved and ratified, this act is null and void in its entirety."

Representative McDonald spoke in favor of the adoption of the amendment to the committee amendment.

Representative Fromhold spoke against the adoption of the amendment to the committee amendment.

An electronic roll call vote was demanded and the demand was sustained.

The Speaker stated the question before the House to be adoption of amendment (475) to the committee amendment to Substitute Senate Bill No. 6078.

ROLL CALL

The Clerk called the roll on the adoption of amendment (475) to the committee amendment to Substitute Senate Bill No. 6078, and the amendment was not adopted by the following vote: Yeas - 45, Nays - 51, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Ericksen, Green, Haler, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, McCune, McDonald, Morrell, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Springer, Strow, Sump, Talcott, Wallace, Walsh and Woods - 45.

Voting nay: Representatives Appleton, Blake, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee,

Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hankins, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Sullivan, B., Sullivan, P., Takko, Upthegrove, Williams, Wood and Mr. Speaker - 51.

Excused: Representatives Dunn and Tom - 2.

Representative McIntire moved the adoption of amendment (462) to the committee amendment:

On page 1 of the amendment, after line 2, strike the remainder of the amendment and insert:

"NEW SECTION. Sec. 1. The legislature finds that the citizens of the state benefit from a state expenditure limit that ensures that the state budget operates with stability and predictability, while encouraging the establishment of budget priorities and a periodic review of state programs and the delivery of state services. A state expenditure limit can prevent budgeting crises that can occur because of increased spending levels during periods of revenue surplus followed by drastic reductions in state services in lean years. The citizens of the state are best served by an expenditure limit that keeps pace with the growth in the state's economy yet ensures budget discipline and taxpayer protection. For these reasons, the legislature finds that modifications to the state expenditure limit, after ten years of experience following the initial implementation of Initiative Measure No. 601, will recognize the economic productivity of the state's economy and better balance the needs of the citizens for essential government services with the obligation of the legislature for strict spending accountability and protection of its taxpayers.

Sec. 2. RCW 43.135.035 and 2001 c 3 s 8 and 2000 2nd sp.s. c 2 s 2 are each reenacted and amended to read as follows:

(1) After July 1, 1995, any action or combination of actions by the legislature that raises state revenue or requires revenue-neutral tax shifts may be taken only if approved by a two-thirds vote of each house, and then only if state expenditures in any fiscal year, including the new revenue, will not exceed the state expenditure limits established under this chapter. However, for legislation enacted between the effective date of this 2005 act and June 30, 2007, any action or combination of actions by the legislature that raises state revenue or requires revenue-neutral tax shifts may be taken with the approval of a majority of members elected to each house, so long as state expenditures in any fiscal year, including the new revenue, will not exceed the state expenditure limits established under this chapter.

(2)(a) If the legislative action under subsection (1) of this section will result in expenditures in excess of the state expenditure limit, then the action of the legislature shall not take effect until approved by a vote of the people at a November general election. The ~~((office of financial management))~~ state expenditure limit committee shall adjust the state expenditure limit by the amount of additional revenue approved by the voters under this section. This adjustment shall not exceed the amount of revenue generated by the legislative action during the first full fiscal year in which it is in effect. The state expenditure limit shall be adjusted downward upon expiration or repeal of the legislative action.

(b) The ballot title for any vote of the people required under this section shall be substantially as follows:

"Shall taxes be imposed on in order to allow a spending increase above last year's authorized spending adjusted for inflation and population increases?"

(3)(a) The state expenditure limit may be exceeded upon declaration of an emergency for a period not to exceed twenty-four months by a law approved by a two-thirds vote of each house of the legislature and signed by the governor. The law shall set forth the nature of the emergency, which is limited to natural disasters that require immediate government action to alleviate human suffering and provide humanitarian assistance. The state expenditure limit may be exceeded for no more than twenty-four months following the declaration of the emergency and only for the purposes contained in the emergency declaration.

(b) Additional taxes required for an emergency under this section may be imposed only until thirty days following the next general election, unless an extension is approved at that general election. The additional taxes shall expire upon expiration of the declaration of emergency. The legislature shall not impose additional taxes for emergency purposes under this subsection unless funds in the education construction fund have been exhausted.

(c) The state or any political subdivision of the state shall not impose any tax on intangible property listed in RCW 84.36.070 as that statute exists on January 1, 1993.

(4) If the cost of any state program or function is shifted from the state general fund on or after January 1, 1993, to another source of funding, or if moneys are transferred from the state general fund to another fund or account, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall lower the state expenditure limit to reflect the shift. For the purposes of this section, a transfer of money from the state general fund to another fund or account includes any state legislative action taken (~~after July 1, 2000;~~) that has the effect of reducing revenues from a particular source, where such revenues would otherwise be deposited into the state general fund, while increasing the revenues from that particular source to another state or local government account. This subsection does not apply to the dedication or use of lottery revenues under RCW 67.70.240(3) or property taxes under RCW 84.52.068, in support of education or education expenditures.

(5) If the cost of any state program or function is shifted to the state general fund on or after January 1, 2000, from another source of funding, or if moneys are transferred to the state general fund from another fund or account, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall increase the state expenditure limit to reflect the shift.

Sec. 3. RCW 43.135.010 and 1994 c 2 s 1 are each amended to read as follows:

The people of the state of Washington hereby find and declare:

(1) The continuing increases in our state tax burden and the corresponding growth of state government is contrary to the interest of the people of the state of Washington.

(2) It is necessary to limit the rate of growth of state government while assuring adequate funding of essential services, including basic education as defined by the legislature.

(3) The current budgetary system in the state of Washington lacks stability. The system encourages crisis budgeting and results in cutbacks during lean years and overspending during surplus years.

(4) It is therefore the intent of this chapter to:

(a) Establish a limit on state expenditures that will assure that the growth rate of state expenditures does not exceed the growth rate (~~(of inflation and state population)~~) in Washington personal income;

(b) Assure that local governments are provided funds adequate to render those services deemed essential by their citizens;

(c) Assure that the state does not impose responsibility on local governments for new programs or increased levels of service under existing programs unless the costs thereof are paid by the state;

(d) Provide for adjustment of the limit when costs of a program are transferred between the state and another political entity;

(e) Establish a procedure for exceeding this limit in emergency situations;

(f) Provide for voter approval of tax increases; and

(g) Avoid overfunding and underfunding state programs by providing stability, consistency, and long-range planning.

Sec. 4. RCW 43.135.025 and 2000 2nd sp.s. c 2 s 1 are each amended to read as follows:

(1) The state shall not expend from the general fund and related funds during any fiscal year state moneys in excess of the state expenditure limit established under this chapter.

(2) Except pursuant to a declaration of emergency under RCW 43.135.035 or pursuant to an appropriation under RCW 43.135.045(4)(b), the state treasurer shall not issue or redeem any check, warrant, or voucher that will result in a state general fund or related fund expenditure for any fiscal year in excess of the state expenditure limit established under this chapter. A violation of this subsection constitutes a violation of RCW 43.88.290 and shall subject the state treasurer to the penalties provided in RCW 43.88.300.

(3) The state expenditure limit for any fiscal year shall be the previous fiscal year's state expenditure limit increased by a percentage rate that equals the fiscal growth factor.

(4) For purposes of computing the state expenditure limit for the fiscal year beginning July 1, (~~(1995))~~ 2007, the phrase "the previous fiscal year's state expenditure limit" means the total state expenditures from the state general fund and related funds, not including federal funds, for the fiscal year beginning July 1, (~~(1989))~~ 2006, plus the fiscal growth factor. (~~(This calculation is then computed for the state expenditure limit for fiscal years 1992, 1993, 1994, and 1995, and as required under RCW 43.135.035(4).)~~)

(5) A state expenditure limit committee is established for the purpose of determining and adjusting the state expenditure limit as provided in this chapter. The members of the state expenditure limit committee are the director of financial management, the attorney general or the attorney general's designee, and the chairs and ranking minority members of the senate committee on ways and means and the house of representatives committee on appropriations. All actions of the state expenditure limit committee taken pursuant to this chapter require an affirmative vote of at least (~~(three))~~ four members.

(6) Each November, the state expenditure limit committee shall adjust the expenditure limit for the preceding fiscal year based on actual expenditures and known changes in the fiscal growth factor and then project an expenditure limit for the next two fiscal years. If, by November 30th, the state expenditure limit committee has not adopted the expenditure limit adjustment and projected expenditure limit as provided in subsection (5) of this section, the attorney general or his or her designee shall adjust or project the expenditure limit, as necessary.

(7) "Fiscal growth factor" means (~~(the average of the sum of inflation and population change for each of the prior three fiscal years))~~ the average growth in state personal income for the prior ten fiscal years.

(8) (~~"Inflation" means the percentage change in the implicit price deflator for the United States for each fiscal year as published by the federal bureau of labor statistics.~~

~~—(9) "Population change" means the percentage change in state population for each fiscal year as reported by the office of financial management.) "General fund" means the state general fund.~~

(9) "Related fund" means the health services account, violence reduction and drug enforcement account, public safety and education account, water quality account, or student achievement fund.

Sec. 5. RCW 43.135.035 and 2005 c . . . s 2 (section 2 of this act) are each amended to read as follows:

(1) After July 1, 1995, any action or combination of actions by the legislature that raises state revenue or requires revenue-neutral tax shifts may be taken only if approved by a two-thirds vote of each house, and then only if state expenditures in any fiscal year, including the new revenue, will not exceed the state expenditure limits established under this chapter. (~~However, for legislation enacted between the effective date of this 2005 act and June 30, 2007, any action or combination of actions by the legislature that raises state revenue or requires revenue-neutral tax shifts may be taken with the approval of a majority of members elected to each house, so long as state expenditures in any fiscal year, including the new revenue, will not exceed the state expenditure limits established under this chapter.~~)

(2)(a) If the legislative action under subsection (1) of this section will result in expenditures in excess of the state expenditure limit, then the action of the legislature shall not take effect until approved by a vote of the people at a November general election. The state expenditure limit committee shall adjust the state expenditure limit by the amount of additional revenue approved by the voters under this section. This adjustment shall not exceed the amount of revenue generated by the legislative action during the first full fiscal year in which it is in effect. The state expenditure limit shall be adjusted downward upon expiration or repeal of the legislative action.

(b) The ballot title for any vote of the people required under this section shall be substantially as follows:

"Shall taxes be imposed on in order to allow a spending increase above last year's authorized spending adjusted for (~~inflation and population increases~~) personal income growth?"

(3)(a) The state expenditure limit may be exceeded upon declaration of an emergency for a period not to exceed twenty-four months by a law approved by a two-thirds vote of each house of the legislature and signed by the governor. The law shall set forth the nature of the emergency, which is limited to natural disasters that require immediate government action to alleviate human suffering and provide humanitarian assistance. The state expenditure limit may be exceeded for no more than twenty-four months following the declaration of the emergency and only for the purposes contained in the emergency declaration.

(b) Additional taxes required for an emergency under this section may be imposed only until thirty days following the next general election, unless an extension is approved at that general election. The additional taxes shall expire upon expiration of the declaration of emergency. The legislature shall not impose additional taxes for emergency purposes under this subsection unless funds in the education construction fund have been exhausted.

(c) The state or any political subdivision of the state shall not impose any tax on intangible property listed in RCW 84.36.070 as that statute exists on January 1, 1993.

(4) If the cost of any state program or function is shifted from the state general fund (~~on or after January 1, 1993;~~) or a related fund to another source of funding, or if moneys are transferred from the state general fund or a related fund to another fund or account, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall lower the state expenditure limit to reflect the shift. For the purposes of this section, a transfer of money from the state general fund or a related fund to another fund or account includes any state legislative action taken that has the effect of reducing revenues from a particular source, where such revenues would otherwise be deposited into the state general fund or a related fund, while increasing the revenues from that particular source to another state or local government account. This subsection does not apply to the dedication or use of lottery revenues under RCW 67.70.240(3) or property taxes under RCW 84.52.068, in support of education or education expenditures.

(5) If the cost of any state program or function (~~is~~) and the ongoing revenue necessary to fund the program or function are shifted to the state general fund or a related fund on or after January 1, (~~2000, from another source of funding, or if moneys are transferred to the state general fund from another fund or account~~) 2007, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall increase the state expenditure limit to reflect the shift.

Sec. 6. RCW 43.135.045 and 2003 1st sp.s. c 25 s 920 are each amended to read as follows:

(1) The emergency reserve fund is established in the state treasury. During each fiscal year, the state treasurer shall (~~deposit in the emergency reserve fund all general fund--state revenues in excess of the state expenditure limit for that fiscal year. Deposits~~) transfer an amount from the state general fund to the emergency reserve fund. The amount transferred shall equal the amount by which total state revenue for the general fund and related funds exceeds the state expenditure limit, multiplied by the percentage that general fund expenditures are of total expenditures from the general fund and related funds. Transfers shall be made at the end of each fiscal quarter based on projections of state revenues, expenditures, and the state expenditure limit. The treasurer shall make transfers between these accounts as necessary to reconcile actual annual revenues and the expenditure limit for fiscal year 2000 and thereafter.

(2) The legislature may appropriate moneys from the emergency reserve fund only with approval of at least two-thirds of the members of each house of the legislature, and then only if the appropriation does not cause total expenditures to exceed the state expenditure limit under this chapter.

(3) The emergency reserve fund balance shall not exceed five percent of annual general fund--state revenues as projected by the official state revenue forecast. Any balance in excess of five percent shall be transferred on a quarterly basis by the state treasurer as follows: Seventy-five percent to the student achievement fund hereby created in the state treasury and twenty-five percent to the general fund balance. The treasurer shall make transfers between these accounts as necessary to reconcile actual annual revenues for fiscal year 2000 and thereafter. When per-student state funding for the maintenance and operation of K-12 education meets a level of no less than ninety percent of the national average of total funding from all sources per student as determined by the most recent published data from the national center for education statistics of the United States

department of education, as calculated by the office of financial management, further deposits to the student achievement fund shall be required only to the extent necessary to maintain the ninety-percent level. Remaining funds are part of the general fund balance and these funds are subject to the expenditure limits of this chapter.

(4) The education construction fund is hereby created in the state treasury.

(a) Funds may be appropriated from the education construction fund exclusively for common school construction or higher education construction.

(b) Funds may be appropriated for any other purpose only if approved by a two-thirds vote of each house of the legislature and if approved by a vote of the people at the next general election. An appropriation approved by the people under this subsection shall result in an adjustment to the state expenditure limit only for the fiscal period for which the appropriation is made and shall not affect any subsequent fiscal period.

(5) Funds from the student achievement fund shall be appropriated to the superintendent of public instruction strictly for distribution to school districts to meet the provisions set out in the student achievement act. Allocations shall be made on an equal per full-time equivalent student basis to each school district.

~~((6) Earnings of the emergency reserve fund under RCW 43.84.092(4)(a) shall be transferred quarterly to the multimodal transportation account, except for those earnings that are in excess of thirty-five million dollars each fiscal year. Within thirty days following any fiscal year in which earnings transferred to the multimodal transportation account under this subsection did not total thirty-five million dollars, the state treasurer shall transfer from the emergency reserve fund an amount necessary to bring the total deposited in the multimodal transportation account under this subsection to thirty-five million dollars. The revenues to the multimodal transportation account reflected in this subsection provide ongoing support for the transportation programs of the state. However, it is the intent of the legislature that any new long-term financial support that may be subsequently provided for transportation programs will be used to replace and supplant the revenues reflected in this subsection, thereby allowing those revenues to be returned to the purposes to which they were previously dedicated. No transfers from the emergency reserve fund to the multimodal fund shall be made during the 2003-05 fiscal biennium.))~~

NEW SECTION. Sec. 7. (1) Sections 1 and 2 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.

(2) Sections 3 through 6 of this act take effect July 1, 2007."

Representative McIntire spoke in favor of the adoption of the amendment to the committee amendment.

Representative Ericksen spoke against the adoption of the amendment to the committee amendment.

Division was demanded and the demand was sustained. The Speaker (Representative Lovick presiding) divided the House. The results was 50 - YEAS; 46 -NAYS.

The amendment to the committee amendment was adopted.

The committee amendment as amended was adopted.

There being no objection, the rules were suspended, the second reading considered the third and the bill, as amended by the House was placed on final passage.

Representatives McIntire, Miloscia, Sommers, McDermott, Schual-Berke, Hunter and Flannigan spoke in favor of passage of the bill.

Representatives Clements, Orcutt, McDonald, Alexander, Roach, Anderson, DeBolt, Ericksen and Talcott spoke against the passage of the bill.

The Speaker stated the question before the House to be the final passage of Substitute Senate Bill No. 6078, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6078, as amended by the House and the bill failed to pass the House by the following vote: Yeas - 49, Nays - 47, Absent - 0, Excused - 2.

Voting yea: Representatives Appleton, Blake, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Sullivan, B., Sullivan, P., Takko, Upthegrove, Williams, Wood, and Mr. Speaker - 49.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Ericksen, Green, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, Linville, McCune, McDonald, Morrell, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Springer, Strow, Sump, Talcott, Wallace, Walsh, and Woods - 47.

Excused: Representatives Dunn, and Tom - 2.

SUBSTITUTE SENATE BILL NO. 6078, as amended by the House, having failed to receive the necessary two-thirds constitutional majority, was declared failed.

STATEMENT FOR THE JOURNAL

I intended to vote YEA on SUBSTITUTE SENATE HOUSE BILL NO. 6078.

KELLI LINVILLE, 42nd District

NOTICE OF RECONSIDERATION

Representative Morrell, having voted on the prevailing side, moved that the House reconsider the vote by which SUBSTITUTE SENATE BILL NO. 6078 failed the House.

Representatives Morrell, Hunt and Springer spoke in favor of the motion to reconsider the vote.

Representatives Ericksen, Anderson, Nixon and Clements spoke against the motion to reconsider the vote.

The Speaker stated the question before the House to be the motion to reconsider the vote by which Substitute Senate Bill No. 6078 failed the House.

ROLL CALL

The Clerk called the roll on the motion to reconsider the vote by which Substitute Senate Bill No. 6078 failed the House, and the motion passed the House by the following vote: Yeas - 50, Nays - 44, Absent - 0, Excused - 4.

Voting yea: Representatives Appleton, Blake, Chase, Clibborn, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Haigh, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kirby, Lantz, Lovick, McCoy, McDermott, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Sullivan, P., Takko, Upthegrove, Williams, Wood and Mr. Speaker - 50.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Campbell, Chandler, Clements, Cox, Crouse, Curtis, DeBolt, Ericksen, Green, Haler, Hankins, Hinkle, Holmquist, Jarrett, Kilmer, Kretz, Kristiansen, Linville, McCune, McDonald, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Strow, Sump, Talcott, Wallace, Walsh and Woods - 44.

Excused: Representatives Cody, Condotta, Dunn and Tom - 4.

The motion, having received the constitutional majority, was declared passed.

There being no objection, the House advanced to the eleventh order of business.

There being no objection, the House adjourned until 9:00 a.m., April 16, 2005, the 97th Day of the Regular Session.

FRANK CHOPP, Speaker

RICHARD NAFZIGER, Chief Clerk

1024		
	Messages	6
1130		
	Messages	6
1132-S		
	Messages	2
1170		
	Messages	2
1242-S		
	Messages	2
1287		
	Messages	6
1302-S		
	Messages	6
1364		
	Messages	6
1668		
	Messages	2
1823-S		
	Messages	2
1887-S		
	Messages	2
1896-S2		
	Messages	2
1936-S		
	Messages	6
2131		
	Messages	2
2223-S		
	Messages	2
2271		
	Messages	6
4654		
	Introduced	1
	Adopted	2
5058-S		
	President Signed	2
5060-S		
	Second Reading	5
	Third Reading Final Passage	6
5139-S		
	Second Reading Amendment	6
	Third Reading Final Passage	7
	Other Action	2
5213-S2		
	Second Reading	5
	Third Reading Final Passage	5
5242-S		
	President Signed	2
5309-S		
	President Signed	2
5340		
	President Signed	2
5347		
	President Signed	2
5348-S		

Speaker Signed 2
 President Signed 2
 5415-S
 Third Reading 4
 Third Reading Final Passage 5
 5461-S
 President Signed 2
 5477
 Speaker Signed 2
 President Signed 2
 5501
 President Signed 2
 5518
 President Signed 2
 5564
 President Signed 2
 5623-S
 President Signed 2
 5692-S
 Second Reading Amendment 2
 Third Reading Final Passage 4
 5720-S
 President Signed 2
 5732-S
 Second Reading Amendment 7
 Third Reading Final Passage 19
 6012-S
 President Signed 2
 6064-S
 Second Reading Amendment 19
 Third Reading Final Passage 19
 6078-S
 Second Reading Amendment 19
 Third Reading Final Passage 27
HOUSE OF REPRESENTATIVES
 Notice of Reconsideration: Representative Morrell; SSB 6078 27
 Statement for the Journal: Representative Campbell 6
 Statement for the Journal: Representative Flannigan 5
 Statement for the Journal: Representative Linville 27
 Statement for the Journal: Representative McCune 6
 Statement for the Journal: Representative O'Brien 5