



1989

# INTERIM COMMITTEE REPORTS

This is a summary of the major work done by the standing and joint committees of the Washington State Senate during the 1989 interim. We hope this will provide a quick review in preparation for the 1990 session. Additional information is available from the committee chair or the staff contact listed following each topic.

Edward D. Seeberger, Director  
Senate Committee Services

## AGRICULTURE (Senator Barr, Chair)

### Biotechnologically Engineered Organisms

The Agriculture Committee staff has been looking into issues surrounding the need for regulation and/or support of the biotechnology industry in this state. The Committee's attention was drawn to this subject by Senate Bill 5448 (still in Committee).

Staff has met with representatives of the biotechnology industry, the universities, and various regulatory agencies. In addition, other states' programs were reviewed in an effort to determine the appropriate legislative action. A briefing on the preliminary staff findings was presented to the Committee at the September meeting in Pasco. The Department of Agriculture has submitted an agency request measure which is an updated version of SB 5448. This measure has been modified to minimize any duplicate regulations as well as any unintended coverage, such as the pharmaceutical industry. The bill will be before the Committee next session. (Staff Contact: John Stuhlmiller)

### Wetlands

The Department of Ecology was directed by the Governor to convene a multi-interest committee to develop wetland protection legislation for the upcoming session. The committee was charged with the task of developing a bill that would establish a regulatory program with a "no

net loss of wetlands" standard for the short term, and a long term goal of enhancing the quantity and quality of wetlands. The committee has legislative participation from the chairs of two Senate and two House committees, including the Senate Agriculture Committee. State agencies, environmental, tribal, agricultural, forestry and urban development interests are also included in the make-up of the committee. (Staff Contact: Bob Lee)

#### Organic Foods

Staff is nearing completion of an extensive review of this state's organic food program. The study has included a review of federal activity in this area both by the Environmental Protection Agency and the Food and Drug Administration, as well as a review of actions in other states.

The Committee toured several organic farms and heard from a number of experts on the subjects of food safety, integrated pest management, and alternative agriculture. The Food and Drug Administration and the State Department of Agriculture (the two agencies responsible for food inspections) presented information regarding food testing in this state.

A brief update on the staff study was provided at the November 2 Committee meeting, with the final report presented at the November 30 committee meeting. (Staff Contact: John Stuhlmiller)

#### Pesticide Availability

Staff has been reviewing the need for legislative action to ensure the availability of adequate resources and incentives to encourage manufacturers of pesticides to produce products for the diverse list of minor crops grown in this state. The Committee received an update on this issue at the November 30 meeting, including a description of recent actions taken by our border states. (Staff Contact: John Stuhlmiller)

#### Farmworker Housing

Staff has been reviewing the issues associated with housing for farmworkers, and has been involved in various forums including the Governor's Housing Conference in an attempt to develop an understanding of options available in this area. The Committee will address the issue through a work session at its December 20 committee meeting. (Staff Contact: John Stuhlmiller)

#### Food Safety

Staff has studied numerous food safety issues including pesticide tolerances in raw and processed foods, pesticide registration and the regulation of the transportation of bulk foods in trucks or rail cars that have transported hazardous materials. Recently, the federal

administration has submitted to Congress proposed changes to the Federal Insecticide Fungicide and Rodenticide Act and the Food Drug and Cosmetic Act. Since administration of pesticide laws are delegated to the states, state legislation to conform our statutes to changes in federal law will need to be considered if federal legislation is enacted.

Congress is considering legislation that would regulate bulk food products carried by truck or rail cars which also carry non-food products. Staff is monitoring this legislation and examining the adequacy of state law in the context of intrastate shipment of foods. (Staff Contact: John Stuhlmiller)

#### Hazardous Waste Incinerator Siting

The Committee took public testimony on the siting of hazardous waste disposal and incineration in agricultural areas at the September Committee meeting in Pasco. Staff is continuing to monitor the Department of Ecology's activities including: siting criteria; adequacy of standards for plant operations; and adequacy of emission testing procedures. (Staff Contact: Bob Lee)

#### Groundwater Quality

Staff has reviewed the Department of Ecology groundwater study results and the proposed groundwater quality rules which will be adopted in late 1990. The Committee received an update at the November 2 Committee hearing. (Staff Contact: John Stuhlmiller)

CHILDREN AND FAMILY SERVICES (Senator Smith, Chair)

Adoption Study Committee

The Adoption Study Committee has been meeting regularly and is in the final stages of developing recommendations for changes in statute and administrative rules. A survey is being taken to help determine public opinion about suggested changes to adoption laws. A report to the Legislature will be completed by the end of December. (Staff Contact: Carol Pedigo)

Foster Care

A public hearing was held on September 9, 1989, on the topic of family preservation. Programs which utilize an intensive, home-based crisis intervention and family therapy approach were highlighted. Such programs include Homebuilders and the Service Enhancement By Expenditure Shifting Projects (SEBES). The Committee is continuing to address the broad issue of family preservation through implementation of foster citizen review boards and the expansion and delineation of foster parents rights. (Staff Contact: Jan Sharar or Lidia Mori)

Foster Parent Insurance Task Force

The Task Force on Foster Parent Liability and Insurance Issues met over the interim and developed four recommended options to alleviate the concerns raised in the 1989 session. Their report is due on December 1, 1989. (Staff Contact: Carol Pedigo)

Cocaine Abusing Pregnant and Parenting Women

At the request of the Department of Social and Health Services, Division of Children and Family Services (DCFS), staff conducted research on the issue of cocaine abusing pregnant and parenting women. This research specifically addressed: the extent and nature of the problem in Washington State; current state intervention methods carried out by DCFS, the Division of Alcohol and Substance Abuse and the Attorney General's office; and proposed options for new intervention methods. A staff report was written on this subject. A Committee hearing was held on this issue in early November. (Staff Contact: Traci Anderson)

Guardianship

Staff has collaborated with a task force of the Washington State Bar Association and other interested persons on revising the existing Washington State guardianship statutes to correct deficiencies. The changes would provide greater protection for the disabled person and make the guardianship process more affordable. (Staff Contact: Lidia Mori)

Insurance Rates and Prenatal/Obstetrical Care

A survey was distributed to a sample of obstetrical providers in Washington in August 1989. Proposals pertaining to the relationship between medical liability insurance rates and diminished access to obstetrical services. The decreasing number of obstetrical providers is an especially critical problem for low-income women and women in rural areas. A report is currently being produced incorporating the results of the survey as well as other research findings. Staff continues to meet with the Access to Maternity Care Committee and the Statewide Perinatal Steering Committee. (Staff Contact: Lidia Mori)

Olympia Schools — DSHS Community Liaison

This program established a community liaison/caseworker in one elementary school to assist "at risk" children and their families through early intervention projects. The committee staff was asked to monitor the program and provide information to the Committee. DSHS representatives and parents from the school testified before the committee at our December 1, 1989 hearing. (Staff Contact: Carol Pedigo)

Family Independence Program — "FIP WATCH"

Committee staff has continued to coordinate and meet with staff from FIP, DSHS, Employment Security and others to review the program on a monthly basis. (Staff Contact: Jan Sharar)

Other Issues

Committee staff researched and gathered information on family and marriage issues, public assistance overpayments and children's mental health. There was a hearing on the latter on December 1, 1989.

ECONOMIC DEVELOPMENT AND LABOR (Senator Lee, Chair)

Government Regulation of New Housing Development

A hearing was held on August 18 in Olympia, which examined the impact that particular federal, state and local government regulations have on the cost of developing new housing. The Committee is currently reviewing legislative proposals on this issue. (Staff Contact: Traci Anderson)

Pacific Northwest Leadership Forum

A five-state, two-province leadership conference took place at the Stouffer Madison in Seattle, October 26-28. The event was well attended by legislators and other government leaders from Pacific Northwest states and provinces of Canada who came together to discuss how the region could work more cooperatively in the areas of: economic development, higher education, trade, tourism, energy, protection of the environment and so forth. Concrete suggestions for future, cooperative efforts were generated as a result of working groups which met to discuss these various topics of interest. The Northwest Policy Center will facilitate follow-up action on these suggestions. A report on the conference will be produced by Committee staff and the Northwest Policy Center. (Staff Contact: Traci Anderson/Patrick Woods)

Committee Newsletter

The first two editions of the monthly Committee newsletter have now been distributed. The newsletter contains excerpts from various media, academic, trade and government publications, which address topics which are of particular interest to the Committee. The first two editions addressed the general topic of worker training and retraining. Future issues will cover literacy in the U.S., public/private partnerships, and rural development. Contributions of articles addressing these and other various topics are welcomed by the Committee. (Staff Contact: Traci Anderson)

International Trade Offices

Legislation has been drafted to open international trade offices in each biennium through the year 2001. These offices would be located in key international markets worldwide. The focus of these trade offices is to aggressively facilitate transactions for Washington State products and commodities. A research brief is currently being completed that describes the process by which staff analyzed and selected specific locations. (Staff Contact: Forrest Bathurst)

### Gambling

Committee staff attended an Indian gambling seminar on October 11, 1989. Recent federal legislation allows casino gambling operations on Indian reservations and trust lands providing an Indian/State compact is reached. To date the Squaxin, Colville, Puyallup, and Spokane tribes have asked to begin state compacting negotiations. The parties included in the negotiation process are the Governor's office, the Department of Community Development, the State Gambling Commission and individual tribes wishing to undertake gambling on their lands. Seminar notes are available on request. (Staff Contact: Forrest Bathurst)

### Ports Cooperation

The Public Ports Temporary Task Force has had three meetings to date to address issues of marketing and trade development, local economic development, as mandated by the legislation creating the task force. The task force is also reviewing issues surrounding air cargo in the state. Subcommittees have been established on each of these areas. The Association of Washington Ports has taken the lead in forming a federation of ports in the state consistent with the directive of the port cooperation bill passed last session. (Staff Contact: Jack Brummel)

### Training and Retraining

A workforce policy research group was formed with the assistance of the Northwest Policy Center to review research that has been conducted in the state about our training and retraining programs as well as to discuss research that is currently being carried out by various departments or individuals and identify research needs that are not being addressed. The group has met twice and will next review a proposal for a major training study proposed by the Office of Financial Management. A hearing on training and retraining issues has been scheduled for December 8, 1989. (Staff Contact: Jack Brummel)

### Technological Innovation in Economic Development

The Economic Development and Labor Committee met in Seattle on October 26, 1989 and heard testimony on current practices at institutions of higher education in providing technical assistance to firms seeking to improve their product lines or production processes. The Committee also heard proposals for industrial extension services, the encouragement of flexible manufacturing networks, and heard of European models to improve industrial competitiveness. The Committee is currently working on a possible joint meeting with the Oregon. (Staff Contact: Jack Brummel)

Workers' Compensation Group Self Insurance for the Private Sector

A consultant has completed a study on this industrial insurance option in Washington. A review of this study by the Committee was held on December 1. In addition to the consultant's study, a staff review of the group self insurance programs of hospital districts and school districts will be before the Committee. Legislation is anticipated. (Staff Contact: Dave Cheal)

Mobile Homes

There have been several meetings of Department of Community Development staff, legislative staff, county officials, park owners and tenants to work out some technical problems with respect to the Mobile Home Relocation Assistance Act that was enacted last session. Some amendments to that act are anticipated. At the request of park owners, a bill regarding abandonment of mobile homes in parks is being developed.

Committee members have requested bill drafts on a mandatory lease period of longer than one year, and elimination of the eviction without cause provision of the Landlord-Tenant Act. (Staff Contact: Dave Cheal)

Low Income Housing

The Committee has received testimony from the Department of Community Development and the low income housing congress regarding their 1990 legislative agenda. These items include many bills that were introduced last year but did not pass, such as current use valuation for low income housing and the local option liquor tax for local housing programs. In addition, there has been a request for research, which is nearly complete, on the strengths and weaknesses of self help housing, sometimes referred to as "sweat equity," and the possible role of the state in this form of housing assistance. (Staff Contact: Dave Cheal)

Construction Lien Laws

A day-long seminar was conducted on the current construction lien laws. Following this seminar, the Chair appointed a task force composed of contractors, credit managers, suppliers, and bankers to develop a proposal that would accomplish two goals: (1) to consolidate and modernize the lien laws and to make them more workable for the industry; and (2) to enhance the level of consumer protection, particularly dealing with the problem of consumers paying twice for construction services as a result of lien claims which arise through no fault of their own. The task force has met four times with at least two more meetings scheduled. The product will be presented to the Committee at the beginning of the 1990 session. (Staff Contact: Dave Cheal)



Prevailing Wage

A hearing has been scheduled for December. Staff is preparing a briefing report on prevailing wage law and issues in the state, including an extensive bibliography on effects of the law. Staff has monitored promulgation of prevailing wage rules by the Department of Labor and Industries. Review of those rules by JARRC has been requested. Informal meetings have been held with labor, business and Department representatives regarding briefing report and issues for 1990 session. (Staff Contact: Jonathan Seib)

Employer-Assisted Child Care

Staff and Committee members have monitored implementation of bills passed last session regarding employer-assisted child care (HB 1133, SB 6051). A hearing was held in Olympia on November 3 regarding this implementation and further means to encourage employer involvement in child care. Staff is reviewing efforts of other states to identify possible legislation for 1990 session. (Staff Contact: Jonathan Seib)

Apprenticeship

Staff and Committee members are monitoring operation of the State Apprenticeship Council. There have been informal meetings with interested businesses and Department of Labor and Industry representatives regarding recent decisions of the Board. A JARRC hearing has been requested. (Staff Contact: Jonathan Seib)

Air Transportation

A joint hearing was held with the Senate Transportation Committee on October 9 at Mt. Rainier High School in Des Moines. The focus was on the development of air transportation in Washington State, and in particular Seattle-Tacoma International Airport. Those testifying included representatives of the Port of Seattle, the Puget Sound Council of Governments, Boeing Field, Paine Field, Moses Lake Airport, Chambers of Commerce, and citizens groups. (Staff Contact: Jonathan Seib)

Telecommuting

Staff attended the Governor's Conference on Telecommuting on June 5-6. A hearing was held October 19 in Seattle. A report was provided on the Washington State Energy Office telecommuting project. Focus of the hearing was the role of telecommuting in economic development and also the concerns of labor regarding telecommuting as a workplace alternative. (Staff Contact: Jonathan Seib)

Family Leave

Staff monitored development of family leave rules by the Department of Labor and Industries. (Staff Contact: Jonathan Seib)

Rural Economic Development

The Committee held a joint hearing with the Senate Agriculture and the House Trade and Economic Development Committees in Colville in June to review rural development issues. The primary focus of the meeting was the role of Associate Development Organizations (ADOs) in assisting rural communities. As a result of the meeting, considerable emphasis has been placed on providing rural communities with resources to promote local growth. In addition, this local approach to rural development is being implemented under a pilot project by the Department of Community Development which was modeled after the Tri-Cities diversification program. The pilot project consists of a statewide advisory committee made up of individuals familiar with rural issues and targets two communities to receive comprehensive state assistance in implementing their local development plans. The Department has received 38 applications from rural communities throughout the state. (Staff Contact: Jonathan Seib)

Public-Private Partnerships

The Committee co-sponsored a conference with the Institute of Public Policy on October 10 concerning public-private partnerships. The conference focused on distressed individuals and communities and the potential of private and public sector partnerships to address literacy, welfare dependency, education, training/retraining, and child care along with other important issue areas. The conference highlighted the problems of high school dropouts, work force mismatch and the need for the private, public and nonprofit sectors to work collaboratively in order to make any significant beneficial impact on the welfare populations or distressed communities in the state. The Committee held a joint legislative hearing with the House Trade and Economic Development Committee on November 16, reviewing the issue in further detail which has resulted in the development of several policy proposals. (Staff Contact: Patrick Woods)

EDUCATION (Senator Bailey, Chair)

The Senate Education Committee has met eight times this interim, including meetings in Yakima, Pasco, Bellevue, Woodinville, Bellingham, Silverdale and Olympia (twice). Five of the meetings have provided an opportunity for members and staff to visit schools, observe programs, and talk to teachers, administrators, students, and parents. Agenda items have included early childhood education, technology and telecommunications, outcomes-based education, K-12/higher education collaboration, counseling in the elementary grades (FAIR START), alternative certification, CHOICES, child abuse in schools, and repeal of the Master's requirement for continuing level certification.

Staff have participated in a major conference sponsored by the National Conference of State Legislatures on child care, prepared a briefing paper on CHOICES, and are in the process of completing an analysis of a school counseling survey. Staff has also prepared draft legislation for the WASHINGTON: 2000 Project, for discussion by the Committee.

Specific attention has also been given to monitoring the special education study by the Office of Financial Management and the study of school construction by the State Board of Education. Staff continues to attend and/or monitor meetings of the State Board of Education, the Special Education Advisory Council, and the Professional Education Advisory Committee. (Staff Contact: Larry Davis, Leslie Goldstein or Susan Mosberg)

ENERGY AND UTILITIES (Senator Benitz, Chair)

Energy Issues

Staff have been working to resolve areas of disagreement within proposed legislation that would enhance energy efficiency under the state energy code. Draft legislation was presented and discussed at the December committee weekend. In addition, the staff have been monitoring the State Building Code Council and its proposed changes to the state energy and plumbing code.

Electricity resources have been discussed at several Committee meetings. As the region moves from a large electricity surplus to a condition of resource balance, concern has been raised over the long lead times needed for acquiring additional resources. Staff have been working on approaches to ensure the adequate resources exist as demand grows, both through implementation of measures to increase efficiency and by the development of new generating resources.

Committee staff have participated in the state Hydropower Task Force, a group that has been directed to develop a state hydropower plan that would balance different state interests and provide direction when new hydropower projects are proposed. The task force is expected to report in December on its progress and on a process to continue the planning until completion of a state hydropower plan by the March, 1991 deadline.

The future of the low-level radioactive waste disposal facility at Hanford has been discussed by the Committee. Committee legislation from the 1989 session directed the Department of Ecology to develop contingency plans for the site in cooperation with other state agencies. Committee staff have served on the advisory group for these plans. The document is scheduled for discussion in December.

Committee staff have been studying alternatives for using the 1000-acre parcel of federal land at Hanford leased by the state. This lease stipulates that the land must be used for nuclear-related industry on the site. The state has negotiated only one sublease of a portion of the land since it obtained the use of the land from the federal government.

An energy education program in the public schools has been discussed at Committee hearings. Proposed legislation from the 1989 session prompted interim discussions among representatives of the education community. A new draft of legislation is expected for the next session. (Staff Contact: Phil Moeller)

### Utility Issues

The Committee is represented by staff on the Small Water Systems Task Force. This group was assembled by the Department of Health to address the existing and potential water supply and water quality problems with thousands of small water systems throughout the state. Draft legislation is being developed for several aspects of this topic.

The Committee also supplies staff to the Joint Select Committee on Water Resources. Legislation relating to several aspects of water policy is expected in the next session. Some pieces of this legislation may be heard by the Energy and Utilities Committee. (Staff Contact: Dave Monthie)

### Telecommunication Issues

The authorization for a state program supplying telecommunication devices to the deaf and hearing impaired will expire on June 30, 1990. The Committee has taken testimony on the program on two occasions. Staff have been reviewing the program and are drafting new authorizing legislation. The new statewide TDD relay system, which allows hearing-impaired persons to converse with non-hearing impaired persons, became operational on November 12. A Committee tour of the facility operation center in Seattle was held prior to the commencement of service.

The telephone assistance program is also set to expire after the next legislative session. This program has been reviewed and discussed at several Committee hearings. Legislation is expected for next session.

Extended area service, or the ability to call outside of traditional local exchange boundaries, has recently become a topic of great interest among the public. Options for this type of service and methods of payment have been discussed. In December, the Committee will hear from the Utilities and Transportation Commission on ways to pay for the elimination of party lines and mileage charges for telephone service. (Staff Contact: Phil Moeller)

ENVIRONMENT AND NATURAL RESOURCES (Senator Jack Metcalf, Chair)

Fisheries Management

The Committee is continuing to develop legislation on regional fisheries enhancement groups. The Department of Fisheries is conducting meetings with user groups in order to develop a workable framework for regional group administration. The Department has drafted legislation which will be introduced in the 1990 session. (Staff Contact: Ross Antipa)

Fisheries Enforcement

A comprehensive rewrite of the fisheries enforcement statutes was undertaken at Senator Metcalf's request. The Department has worked closely with Committee staff and the draft legislation is nearly ready for introduction. (Staff Contact: Ross Antipa)

Wildlife Management

The newly reorganized Department of Wildlife has been actively involved in correcting troubled areas of resource management such as the Skagit River steelhead trout fishery. The Committee has held hearings on these subjects and provided an oversight role to the Department. (Staff Contact: Ross Antipa)

Salmon Advisory Council

The Governor's Salmon Advisory Council is scheduled to sunset in December of 1989. Senator Metcalf and Senator Owen are members of this council, and both have been active in assessing the need for continuing the council. The council will be requesting legislation to continue its existence and perhaps to expand its authority. (Staff Contact: Ross Antipa)

Wildlife Capital Facility Funding

The Department has awarded several study contracts to assess the need for capital funding to support Department programs, such as fish hatcheries. These studies are now completed and the Department will propose a major legislative capital funding request. The Committee will be working with the Department to assess these needs. (Staff Contact: Ross Antipa)

Wildlife Enforcement Issues

Passage of a major wildlife enforcement bill last year has given the Department new authority for seizure of articles used by poachers. The Committee has conducted a hearing to assure that the new authority is correctly implemented. (Staff Contact: Ross Antipa)

Domestic Timber Processing

Legislation to assist local mills will be proposed by the Joint Select Committee on Domestic Timber Processing. (Staff Contact: Vic Moon)

Marine and Ocean Resources

The Joint Select Committee on Ocean and Marine Resources will be introducing legislation on distribution of oil royalty funds and seismic data gathering. (Staff Contact: Vic Moon)

Firearm Ranges

The Firearm Range Committee will report on firearm range needs and funding alternatives to the 1990 session. (Staff Contact: Vic Moon)

Solid Waste Reduction and Recycling

The Committee in conjunction with the Joint Select Committee on Preferred Solid Waste Management has monitored implementation of EHB 1671, enacted in the 1989 legislative session. Interim activities focused upon improving recycling markets and government agency use of recycled materials. A proposal to create a western states recycling coalition is being actively reviewed by legislative members of other western states, the Council of State Governments, and the National Conference of State Legislatures. (Staff Contact: Ats Kiuchi)

Solid Waste Disposal Facility Siting

The siting and operation of solid waste landfills and incinerators is quite controversial in some areas of the state. The Committee has monitored these issues and responded to public inquiries, but has not developed legislative proposals at this time. (Staff Contact: Ats Kiuchi)

Sewage Sludge Management

A Committee study of existing management techniques and regulatory programs, and recommendations for administrative and/or legislative changes, will be completed prior to the 1990 legislative session. This is a locally controversial issue which is likely to result in several legislative proposals. (Staff Contact: Ats Kiuchi)

On-Site Sewage Treatment

The Committee has monitored implementation by the State Department of Health of legislative direction to adopt standards for the repair and replacement of failing on-site treatment systems adjacent to marine waters. (Staff Contact: Ats Kiuchi)

Surface Water Runoff

Increased surface water runoff due to land use activities has caused significant downstream property damage in many instances. The Committee has reviewed existing court decisions providing rules of liability in such cases, and is considering legislative proposals to prevent uncompensated property damage in such circumstances. (Staff Contact: Gary Wilburn)

Wetlands

Two members of the Senate Environment and Natural Resources Committee are members of the Wetlands Forum, created at the request of the Governor to develop legislation for the 1990 session to address the protection of wetlands. (Staff Contact: Gary Wilburn)

Parks and Wildlife Funding

Wildlife and recreation advocacy groups have formed a coalition that will propose a significant increase in state funding for the acquisition of important wildlife, recreation and park lands. The Committee has monitored these developments and held a public hearing on the subject on December 1. (Staff Contact: Gary Wilburn)

Groundwater Resources

In some areas of the state groundwater withdrawals may be exceeding the rate of recharge, threatening public drinking water sources. The Committee will hold a hearing on December 13 to assess the magnitude of these threats and to explore means to better coordinate local and state agency programs to protect groundwater supplies. (Staff Contact: Gary Wilburn)

Environment 2010 Project

The Washington Department of Ecology has created the "Environment 2010" project to assess future environmental concerns in the State of Washington to the Year 2010. Two members of the Senate Environment and Natural Resources Committee participated on the public advisory committee which developed the initial project report. The report's findings will be considered in a series of public hearings statewide and an action plan completed by June, 1990. (Staff Contact: Ats Kiuchi/Gary Wilburn)



FINANCIAL INSTITUTIONS AND INSURANCE (Senator von Reichbauer, Chair)

Reorganization, Savings and Loan, Banking and Securities Division

Staff has drafted two proposals to combine the functions of the Savings and Loan Division, Banking Division, and the Securities Division in one department. A hearing was held to discuss different approaches. Other state systems were reviewed by staff and compared to the current system and the new proposals. (Staff Contact: Benson Porter)

Earthquake Insurance

The Committee held a hearing to discuss the availability and affordability of earthquake insurance. The Committee also received a report from a group called "The Earthquake Project" which is proposing a nationwide fund that would supplement insurance coverage in compensating victims of earthquakes. (Staff Contact: Benson Porter)

Business and Occupation Tax Application to Insurance Agents

The Committee held two hearings that discussed the issue of the application of the B&O tax to insurance agents. Three different legislative proposals were considered at the second hearing. All three legislative approaches probably will be considered in the 1990 session. (Staff Contact: Walt Corneille)

Stock Market Mechanisms

The Committee held a hearing to investigate the changes that have been made since the 1987 market crash, particularly in lieu of the October 1989 market drop of 190 points. The staff reviewed and summarized the various reports that were made by federal agencies and presentations were heard by the Committee from industry regulators regarding market volatility. (Staff Contact: Walt Corneille)

Banking Regulation

The Committee held a hearing to discuss all the state and federal legislation that affected the regulation of banking over the last ten years. The Committee heard testimony on the effectiveness of these measures as well as any future changes that might be indicated. (Staff Contact: Benson Porter)

Regulation of Check Cashing Companies

The Committee held a public hearing and a work session to discuss approaches to the regulation of companies that cash checks for a fee. The staff has reviewed all the input from the interested parties as well as the laws existing in other states. Legislation from the 1989 session was discussed along with changes recommended by the interested parties. (Staff Contact: Benson Porter)

Auto Insurance Alternatives

The Committee held a hearing in Spokane to review possible different approaches to the current system of auto insurance. No fault auto insurance was examined, as were changes to the current statute affecting uninsured motorists coverage. (Staff Contact: Walt Corneille)

Collision Damage Waivers Regulation

The Committee held a hearing to review the past proposals to regulate collision damage waivers and heard testimony on alternatives to the past proposals. (Staff Contact: Benson Porter)

Health Insurance Cost Factors and Mandated Benefits

The Committee held a hearing to consider the factors that drive up the cost of health insurance and to review the current process for analyzing the impact of mandated benefits. (Staff Contact: Walt Corneille)

Extended Vehicle Warranties Contracts Regulation

The Committee held a hearing to discuss possible regulation of extended vehicle warranties contracts. A major company writing this type of contract went into insolvency which has created concerns which should be addressed by legislation in the 1990 session. (Staff Contact: Benson Porter)

Lease Agreement Disclosures

The staff did a presentation to the Committee at a public hearing regarding current requirements for lease agreements and the possibility of expanding those requirements to include interest rate disclosures. Currently federal law regulates these agreements but does not include requirements for disclosure of interest rates. (Staff Contact: Benson Porter)

Auto Equity Skimming

At a public hearing the Committee considered legislation to regulate and outlaw individuals that participate in auto equity skimming scams. The Attorney General has brought suit against several skimmers in the state of Washington and legislation is prepared to make this activity illegal. (Staff Contact: Benson Porter)

State Investment Board Structure

The Committee held a hearing to review the current structure of the State Investment Board and discuss whether that structure needs to be revised. A presentation was given by the chairman of the State Investment Board and the lead staff person regarding possible changes and the effectiveness of the current structure. (Staff Contact: Walt Corneille)

Study Projects

Banks - Insurance Powers

Staff has reviewed the policy surrounding the allowance of banks to sell insurance. Other state laws are being examined as well as federal regulations that address this area. (Staff Contact: Walt Corneille)

Federal Savings and Loan Bailout Bill

During the interim the staff has followed the developments at the federal level to restructure the savings and loan industry in lieu of the extreme number of insolvencies of savings and loans. The federal act has been studied in conjunction with the proposals to reorganize the divisions that currently regulate banks and savings and loans on the state level. (Staff Contact: Walt Corneille)

Collection Agency Statute - Application to Accountants

Accountants and bookkeeping firms that provide accounts payable service to their clients have been held subject to the collection agency statute by the Department of Licensing. A review of the current statute is being made and the staff is discussing with affected parties possible changes to the statute that may be appropriate. (Staff Contact: Walt Corneille)

Broker/Client Mandatory Arbitration Agreements

Staff is currently researching whether or not this area has been pre-empted by federal law. Concerns have been expressed that clients of stockbrokers should be able to choose whether they want to proceed with arbitration or go to court should they have a dispute with their broker. (Staff Contact: Walt Corneille)

Leverage Buyout Activities in Banks

The staff is researching the extent to which banks are involved in leverage buyout activities and the possible effect it may have on the financial stability of instate banks. (Staff Contact: Walt Corneille)

Interest Rate Review

The staff is reviewing the current statutes that regulate interest rates in the state of Washington and is making a comparison of the rates in Washington with other states. This research will focus on the effect that these interest rates have on creating disincentives or incentives to businesses locating inside or outside of Washington state. (Staff Contact: Walt Comeille)

Guarantee Funds for HMOs and HCSCs

Staff is monitoring the negotiation process between these health insurance providers and the Insurance Commissioner. Legislation is anticipated in the 1990 session. (Staff Contact: Benson Porter)

Activities Monitored

The staff has continued to monitor the implementation of legislation from last session regarding underground storage tanks, mandatory auto insurance and financial planners. (Staff Contact: Walt Comeille)

GOVERNMENTAL OPERATIONS (Senator McCaslin, Chair)

The Committee has held three interim meetings and Committee staff has monitored a variety of executive activities.

Spokane meeting (June)--This meeting was held in conjunction with the annual convention of the Association of Washington Cities. The most prominent issues that came out of this meeting are:

(1) Granting cities more authority to eliminate septic tanks in urban areas. Cities feel that given current population pressure in many areas, they should be able to impose sewer hookups before there is an immediate threat to health.

(2) Fire protection/state buildings. A number of cities that have large state facilities want increased contributions from the state for providing fire protection services to those facilities.

(3) Annexations/SEPA. City consolidations and incorporations are exempt from SEPA regulations. Therefore, it is argued that annexations should also be exempt from SEPA provisions.

(4) Revenues. Some cities, if they forego the levy of a business and occupation tax, would like to see the state eliminate local limits on utility taxes.

(5) Regionalism. Significant efforts are currently underway to try to come to grips with regional issues in the Puget Sound Metropolitan Area. King 2000, the Municipal League, and the Governor's Growth Strategy Commission are all looking at ways to overcome the severe balkanization of the region. Regional land use planning and transportation issues appear to be the most prominent concerns.

Pasco meeting (July)—The meeting in Pasco was devoted to a general session with county commissioners and officials. They emphasized that law enforcement issues were their main concern for the January session. In some counties, upwards of 70 percent of the budget is being used for law enforcement services. They noted that some of the counties with the highest rates of crime were those least able to afford the services necessary to deal with the problem. Some counties are spending almost as much on indigent defense as they are on prosecutions. Counties also mentioned the severe overcrowding of jail facilities due to various changes in state law as well as changes in sentencing guidelines. The Washington State Association of Counties, The Washington Association of County Officials, and the Washington Association of Prosecuting Attorneys all have pledged an all-out educational and lobbying effort to get some of these problems redressed by the Legislature.

Olympia meeting (November)--This meeting was concerned with two issues: the Washington State Arts Commission and Initiatives and Referenda.

(1) Washington State Arts Commission. In June of this year, Governor Gardner appointed John W. Firman as the Executive Director of the Commission. Mr. Firman came to Washington from Minnesota, where he had served as Assistant Director with the Minnesota Arts Board since 1984. The following areas were covered: historical development; goals and objectives; program summaries; funding; and dilemmas for decisions in public arts.

(2) Initiatives and Referenda. The Committee heard a review of SSB 5723, which last session passed the Senate 47-0 but failed to pass out of the House Committee on State Government. This measure alters existing law as follows:

- a. A descriptive caption of up to five words is prepared for state-measure initiatives and referenda before signature-gathering drives begin;
- b. The caption can be appealed, but petitions can be circulated during the appeal period;
- c. More detailed ballot instructions are provided to voters when they choose between an initiative to the Legislature and a legislative alternative;.
- d. The Attorney General prepares a proposed ballot title and citizens have an opportunity to request changes before the ballot title is finalized;
- e. The Legislature must be notified of the Attorney General's proposed ballot title; and
- f. The drafting rules are made uniform for all ballot titles, including those for constitutional amendments, local measures, initiatives and referenda.

Olympia meeting (December) --The Committee heard the legislative packages of various associations of special purpose districts. For those special purpose districts that depend heavily on the property tax, the "\$5.55" problem is still of great concern.

A few of the more significant activities being monitored by Committee staff are voter registration proposals (federal and state), graffiti control, management information systems, and negotiations concerning state offices being confined to the city of Olympia. (Staff Contact: Eugene Green or Barbara Howard. Sam Thompson will be leaving in December to become Clerk of the Supreme Court of Saipan.)

HEALTH AND LONG TERM CARE (Senator West, Chair)

The Committee's new name reflects a focusing of responsibility on public health, on health care cost, quality and access issues, and on long term care for the state's aged, mentally ill, developmentally disabled, and others such as persons with AIDS who require continuing care and treatment. These areas of increased emphasis are in addition to the Committee's continuing concern with drug and alcohol abuse prevention, treatment and education, health professional licensure, and other health and human services issues. (Staff Contact: Don Sloma)

Public Hearings

The Committee held five public hearings around the state in Spokane, Pasco, Seattle and Olympia. A December hearing is planned in Longview. Topics have included several presentations on plans to extend universal access to health care, a study of our state's trauma care systems, drug abuse and pregnant women, alcohol and drug abuse prevention, education and treatment, implementation of mental health reform, implementation of rural health reform, revisions in the role of the State Board of Health and other issues. A December hearing was held on the developmental disabilities program including state operated community alternatives, and medically fragile children.

The following issues are currently under the most active consideration by the Committee.

Health Care Access and Cost

The Committee held three hearings regarding proposals to expand access to personal health care to all citizens of the state. The Committee has learned that as many as 700,000 or 17 percent of the state population may have no health insurance at all, and that number may be growing as small employers find it increasingly difficult to afford health benefit programs for their employees. The Committee is considering several proposals to expand access, including expansions in the Basic Health Plan, Medicaid expansions, mandates on employers to provide health care coverage to their employees, and the creation of a single publicly administered health insurance program for all state citizens. (Staff Contact: Don Sloma)

Trauma Care Systems

On July 13 the Committee heard a progress report from the Trauma Advisory Committee concerning the development of the statewide trauma care system as required by statute. Staff is currently working with the Trauma Advisory Committee to draft legislation to implement the recommendations that will be contained in the final report to the Legislature due in December 1989. (Staff Contact: Scott Plack)

Rural Health Care

On November 15 the Committee heard testimony on rural physician shortage issues, including testimony from several rural communities in Northeast Washington. Staff is preparing legislation to create a short-term health professional resource pool as well as a rural physician scholarship program. (Staff Contact: Scott Plack)

Long Term Care Commission

SHB 1968 created a Long Term Care Commission to suggest actions needed to develop a comprehensive and integrated long term care program for the state. Commission members, including legislators from each of the four caucuses, have been selected, Technical Advisory Committees have been formed, and initial meetings have been held. The Commission is scheduled to submit its recommendations in time for the 1991 legislative session. (Staff Contact: Don Slama)

Drug and Alcohol Abuse Treatment, Education and Prevention

The Committee held a hearing on strategies to prevent, treat and educate about drug and alcohol addiction. Several suggestions emerged for changes in state policy. The Committee is considering whether legislation is needed or whether communities can mobilize without additional state support. (Staff Contact: Don Slama)

Chemical Dependency and Pregnancy

On July 13 the Committee heard testimony concerning the abuse of controlled substances, particularly "crack" cocaine, and its impact on pregnant women and infants. (Staff Contact: Scott Plack)

Family Choice in Developmental Disabilities

The Committee is planning two hearings in December regarding our state's program for the developmentally disabled. A DSHS plan to reduce the size of the state operated Residential Habilitation Centers (RHCs) has come under considerable criticism. The plan would involve the use of state employees to operate community residences for the first time. The Committee will review the program to determine the need for policy direction which might guide its development or change it. (Staff Contact: Don Slama)

Medically Fragile Children

On December 1 the Committee heard testimony from DSHS describing the state plan for providing skilled nursing care options for medically fragile children. Development of the plan is required by SSB 5903. (Staff Contact: Scott Plack)



Health Professional Licensure

The LBC has completed sunset reviews of the Occupational Therapy and Radiation Therapy Practice Acts. The LBC recommended continued licensure of occupational therapists and extending the sunset date for radiation therapists with no other change to the act. The Department of Health is expected to introduce housekeeping legislation on other health professions. Legislation is expected to license or certify the practice of dentistry and redefine the practice of chiropractic. (Staff Contact: Scott Plack)

Sunset Review of the Pharmacy Board

The LBC has completed a sunset review of the State Board of Pharmacy. The review recommends the repeal of certain antiquated statutes and other changes to facilitate implementation of the board's merger with the Department of Health. Staff will be preparing legislation for consideration by the Committee. (Staff Contact: Don Sloma)

Traumatic Brain Injury

The Committee has become increasingly aware of the thousands in our state who have suffered traumatic brain injury, usually as a result of a vehicle accident or a fall. Staff is presently working with the Department of Health, DSHS and other state agencies and groups to develop information on the extent of the problem, its costs to the state and our health care system and proven prevention strategies. (Staff Contact: Don Sloma)

Mental Health Reform

The Committee has held several hearings to oversee implementation of Mental Health Reform legislation passed in 1989. The Committee will consider the need for minor statutory modifications, designed to correct implementation problems in the upcoming legislative session. (Staff Contact: Don Sloma)

Miscellaneous

Committee staff are researching other issues including removing or modifying current health insurance policy restrictions on where consumers may purchase prescriptions and extending the health professions Uniform Disciplinary Act to unregulated health professionals who serve as aides and assistants.

HIGHER EDUCATION (Senator Saling, Chair)

Branch Campus Planning

During the 1989 interim the Higher Education Coordinating Board commissioned a consultant to submit a report concerning branch campus development alternatives for the state of Washington. The information in this report will be used by the Board in making its recommendations to the Legislature for the orderly development of branch campuses. The Higher Education Committee will hold a number of hearings this session so that we may follow the plan as it is developed over the next few months. At this point, it appears that the process is slowing down a bit to be sure that the state's investment in higher education provides access and quality in a way that is both cost effective and constructively planned for the future. (Staff Contact: Jean Six)

Assessment

In 1989-91 the budget the Legislature provided \$400,000 to each of the 4-year institutions and to the State Board for Community College Education for assessment activities. The institutions are actively pursuing a higher education performance evaluation program to accomplish two complimentary goals: (1) to provide a means for institutional self-evaluation and improvement, and (2) to meet the state's need for institutional accountability in order to assure quality in the state's higher education system. The Committee has heard a brief overview of the plans and will hold a hearing this session to review the progress of the assessment activities. (Staff Contact: Jean Six)

Loan Default Rate

The media has provided much coverage of the high loan default rates throughout the nation at our institutions of higher education, with emphasis on the staggering rates at the proprietary vocational schools. While this is primarily a Federal problem the Committee will be exploring ways to provide solutions to the problem. A side issue to be looked at is the perception that these same proprietary schools are not providing their students with job skills as promised. The Committee will be meeting jointly with the House Higher Education Committee to provide a forum for the discussion of ways to remedy the situation. (Staff Contact: Jean Six)

Institutional Sick Leave Policies

We have discovered a wide range of institutional policies regarding faculty sick leave. These policies run from a high of one full year of sick leave per year at The Evergreen State College to one day (8 hours) per month at Washington State University and the Community Colleges. The IBC will report on an audit of these policies prior to the 1990 session.

A full report of the 1989 Sick Leave and Annual Leave Survey conducted by the staff of the Senate Higher Education Committee is available. (Staff Contact: Scott Huntley)

#### Crime On Campus

Two hearings were held during the interim regarding the issue of crime on campus and the arming of campus security. The Senate Law and Justice Committee met in Spokane and the Senate Higher Education Committee met in Bellingham.

Both Senator von Reichbauer and Senator Smitherman have prepared legislation on this issue. Their draft bills require each state four-year institution of higher education to establish a fully commissioned police force for its campus. Senator von Reichbauer's draft also includes provisions requiring institutions to fully report crime statistics to the Uniform Crime Report and to make all statistics and safety program information available to students, staff, and prospective students and their parents. The staff of the Senate Higher Education Committee worked with Senator von Reichbauer in producing a full report of criminal activity on campuses in the state of Washington. This report is available. (Staff Contact: Scott Huntley)

#### Articulation

A task force has been working to forge articulation agreements between the various sectors of the education community. The Committee will be hearing from that task force and will continue to monitor the agreements as they develop, not only between the K-12 system and higher education, but also between the community colleges and the four-year institutions as well as between the four-year institutions. With the development of the branch campuses and discussion of "post-secondary options" it behooves the state to make sure that the courses taken at any level are transferable where appropriate. The Committee will hear from members of the task force with regard to the status of the articulation agreements. (Staff Contact: Jean Six)

#### Faculty Contact Hours

The staff of the Senate Higher Education Committee conducted a survey of the proportion of credit hours taught at each course level (100 through graduate), by the respective ranks of faculty at the four-year institutions. All institutions other than Eastern Washington University have, as of this date, responded. The response of EWU is expected shortly. The full report on this study will be available when EWU's response is received. (Staff Contact: Scott Huntley)

LAW AND JUSTICE (Senator Pullen, Chair)

During the past seven months the Law and Justice Committee members and staff have been focusing attention on a variety of issues.

The area that has received the most examination concerns criminal justice reform and, specifically, the issue regarding sex offenders.

With the election of Senator Pullen to the King County Council, Senator Nelson will serve as the new Chair of the Committee. Additionally, a Corrections Subcommittee has been formed that will be chaired by Senator Thorsness.

The following summarizes the major issues and activities of the Law and Justice Committee.

Predatory Sex Offenders

As the result of the brutal murder of a young Seattle woman by an offender on work release last year and the brutal assault of a young Tacoma boy, the Law and Justice Committee late last spring began to research the major problems in our laws regarding sexual and violent offenders. The outcome of a June 2, 1989 hearing was the formation of the Legislative Ad Hoc Committee on Sex Offenders, Criminal Justice and Public Safety. The ad hoc committee met frequently throughout the summer and early fall, and their efforts culminated in the production of a comprehensive sex offender bill which was presented to the Governor's Task Force on Community Protection in October. Throughout the process, the ad hoc committee and staff worked hand in hand with the Governor's Task Force on Community Protection.

The ad hoc proposal which will likely be folded in with the Governor's task force proposal, focuses on a broad spectrum of issues ranging from increased punishment for sexual offenders and especially repeat offenders, to increased treatment efforts for victims and increased treatment programs for young offenders. (Staff Contact: Cliff Petersen)

The Washington Condominium Act

The Washington Condominium Act was enacted last year and the Washington State Condominium Task Force was continued for the purpose of preparing the official comments to the act, making necessary technical changes, and rewriting the vetoed sections from last year. The task force and staff have been meeting twice a month since June and have prepared the initial drafts of the official comments and required technical changes. In addition, the Governor's two appointees to the task force have been actively involved in redrafting the vetoed sections from a year ago. The task force is currently in the final stages of reviewing the comments, technical changes and proposed rewritten sections from the veto. On completion of these efforts, the technical revisions and rewritten sections will be incorporated into a

bill for the upcoming session, and the official comments to the Washington Condominium Act will be read into the Senate and House Journals. (Staff Contact: Ben Barnes)

#### Gender Bias

After two years of study, the Washington State Task Force on Gender and Justice in the courts has concluded its work. The task force prepared a final report which lists 19 legislative recommendations for eliminating gender bias from the courts. A joint hearing on these issues was held on November 2, 1989 with the House Judiciary Committee. Testimony was heard from task force members, community organizations and concerned citizens. Based upon the task force's recommendations, staff is currently preparing draft legislation on several domestic violence issues for introduction during the upcoming session. (Staff Contact: Ben Barnes)

#### Child Support

The Committee is revisiting the issue of child support and the various problems that have surfaced regarding the child support schedule. The issues surrounding child support have become very controversial and it is an area that is very complex, with requests for change coming from many corners. On September 29, 1989, the Committee held a public hearing during committee weekend in Pasco regarding these child support issues. A four hour follow-up hearing was held by the Committee on November 14, 1989 for the purpose of taking additional public testimony. Staff is currently working with the Washington State Child Support Schedule Commission, the Washington State Bar Association Family Law Division, and various other interested organizations. Staff is also in the process of drafting legislation for introduction during the 1990 session. (Staff Contact: Richard Rodger)

#### Criminal Justice Reform Act

The Senate Law and Justice Committee staff is currently in the process of refining a comprehensive Criminal Justice Reform Act. A hearing was held in Spokane in early fall to take testimony on the three part proposal. The proposal is designed to (1) improve the coordination of state and local criminal justice services through enhanced planning and organizational efforts, (2) ease the economic impact of crime on local units of government through the strategic coordination and enhancement of criminal justice services, and (3) address the need for additional beds at local jail and state prison facilities. A joint hearing with the Public Safety Committee of the Seattle City Council is scheduled for mid-December to further address these issues. (Staff Contact: Cliff Petersen)

### Legal Financial Obligations of Criminal Offenders

Pursuant to Substitute House Bill 1542, the Department of Corrections and the County Clerks Association are required to develop a compatible management and accounting system for legal financial obligation collections. A legal financial obligation steering committee was organized in June of this year to provide direction for implementation of SHB 1542. Four subcommittees have been developed out of the LFO Steering Committee for in-depth review of various LFO-related issues. The Committee and staff have met monthly since its inception. The final report of the Committee's deliberations was distributed at the December 1, 1989 hearing. (Staff Contact: Ben Barnes)

### Recording of Real Estate Contracts

During hearings on SB 5336 (the Whistleblower Immunity Bill) last year, several issues emerged with regard to the recording of real estate contracts. Current law does not require that real estate contracts be recorded. It has been observed, however, that failure to record a real estate contract can result in a buyer losing his/her interest in the property; it can also result in a loss of revenue to the state on the sale of the property. Staff has been working with the real estate, probate and trust section of the Washington State Bar Association to further examine the need for legislative action in this area. (Staff Contact: Ben Barnes)

### Consumer Protection Commission

A proposal establishing a Consumer Protection Commission has been drafted and distributed to several agencies for their review and comment. The resulting language will be incorporated into a bill for introduction during the 1990 session. (Staff Contact: Cliff Petersen)

### Real Estate Contract Forfeiture

A bill which would provide attorney's fees to sellers in case of repetitive defaults by purchasers of real estate contracts has been drafted and is presently being reviewed by the real estate, probate and trust section of the Washington State Bar Association. (Staff Contact: Ben Barnes)

### DWI Laws

A Committee hearing was held in October to review the enforcement of DWI statutes and their effect on court congestion and prosecutorial work load. Testimony was received from District Court judges, prosecuting attorneys, the Department of Licensing and the Traffic Safety Commission. A lengthy presentation was given by the Traffic Safety Commission which indicated that, overall, Washington provides severe penalties for DWI violations, and that defendants are contesting DWI charges and requesting jury trials. This is creating severe court congestion in many counties in this state and often times results in

prosecutors being required to enter into plea agreements or dismiss DWI charges.

The Traffic Safety Commission and the Department of Licensing may request the Legislature to enact an administrative "pro se" law, which will provide for suspension or revocation of a driver's license by the Department of Licensing. This process may help to reduce court congestion. (Staff Contact: Dick Armstrong)

#### Indigent Defense

In November, the Law and Justice Committee met and held a hearing to receive an update from the Task Force on Criminal Indigent Defense. The task force reported on the implementation of 1989 legislation which was enacted to: provide statewide standards for the determination of indigency, require a cost recovery program, and require counties to establish standards for providing criminal indigent defense. The task force reported on its ongoing studies to determine adequate funding levels for such programs, (approximately 25-30 million per biennium) and also its progress in approving the delivery of appellate criminal defense services. Staff has been working closely with the task force in preparing legislation that is likely to be introduced in the 1990 session. (Staff Contact: Dick Armstrong)

#### Pro Bono Programs

During the November committee weekend the Committee met to receive testimony and information from the Washington State Bar Association concerning its efforts to promote and increase the number of pro bono programs throughout the counties of Washington. The President of the Bar Association indicated to the Committee that pro bono programs are a high priority of the WSBA and presented information on their increasing utilization in Washington. The Bar indicated that Pro Bono programs function best when they are done on a voluntary basis and that mandatory pro bono requirements for attorneys would ultimately be counterproductive. Staff is continuing to monitor the efforts of the Bar Association in this area. (Staff Contact: Dick Armstrong)

#### Sludge

Staff has been working closely with the concerned citizens of Cumberland and other interest groups regarding legislation on the issue of sludge liability. The proposed legislation imposes criminal penalties and civil sanctions for the unlawful discharge of sludge. The bill also requires the Department of Ecology to establish a statewide permit system for the lawful discharge of sludge. The Committee has received considerable testimony from numerous citizens, particularly from the rural areas of Thurston, Pierce and King counties, who are concerned that unregulated discharge of sludge would likely result in environmental and health problems. Staff is continuing to refine this proposal, which is likely to be introduced

during the 1990 session. A hearing was held the December committee weekend. (Staff Contact: Dick Armstrong/Cliff Petersen)

#### Water Safety Legislation

The Committee has been examining and developing legislation concerning the safe operation and noise levels of personal watercraft. A public hearing in Olympia on November 2, 1989 was held to review a preliminary draft pertaining to this issue. Staff is continuing to work with various local law enforcement agencies and the Washington State Parks and Recreation Commission to consider additional legislative changes that are necessary prior to the bill's introduction. (Staff Contact: Richard Rodger)

#### Children in Need of Special Services

Staff is continuing to develop legislation from last year designed to deal with the prevention and treatment options for children who are in need of special services. These children include chronic runaways, drug offenders and homeless children. (Staff Contact: Richard Rodger)

#### Criminal Legislation on Illegal Cult Activities

Late last spring a public hearing was held by the Law and Justice Committee on the scope of illegal cult activities in Washington. The alleged activities included animal mutilations, ritualistic abuse, child abuse and homicide. Three bills have been drafted in response to the testimony taken at this hearing. These bills deal with (1) ritual misconduct—justification for an exceptional sentence under the Sentencing Guidelines, (2) the creation of a Class B felony for inducement to commit suicide, and (3) creation of a Class B felony for ritualistic mutilation. (Staff Contact: Richard Rodger)

#### Uniform Healthcare Information Act

Staff has been developing a piece of uniform legislation concerning the release of a patient's healthcare records. This proposal intends to ensure that patients have access to their own records, and protects the patients against the unauthorized dissemination of healthcare information. (Staff Contact: Richard Rodger/Cliff Petersen)

#### Malicious Harassment

The statute relating to malicious harassment was amended last year to clarify legislative intent concerning what specific acts constitute malicious harassment. Pursuant to the new enactment, the Administrator for the Courts is required to develop a curriculum on the crime of malicious harassment for the judges and justices of this state. Thus, a malicious harassment advisory committee has been formed to develop learning objectives and activities for the annual judges spring conference. Staff is working with the advisory committee, and the



first meeting of the committee is scheduled for early December. (Staff Contact: Ben Barnes)

#### Campus Crime

The issue of crime on college/university campuses in Washington was heard in Spokane on September 1. Crime statistics compiled by the Council of President's Office from all of the state's four year institutions were presented at the hearing. Various security personnel from the institutions also testified before the Committee. The Senate Higher Education Committee, further pursued this issue at an October hearing in Bellingham. In addition, the issue of firearms on college campuses was also briefly raised at the September 1 hearing. An informal meeting on this issue was held on September 12 at the University of Washington with representatives from the Attorney General's Office, the University of Washington, Washington State University and Eastern Washington University. Some concern appears to exist with respect to the need for a clearer firearms policy for students and faculty on campus. However, the consensus at the meeting was not to pursue any legislative changes at this time. (Staff Contact: Jon Carlson)

#### The Death Penalty

A hearing was conducted May 24, 1989 on Senate Bill 6154 which would reduce the affirmative vote needed to impose the death penalty at the bifurcated sentencing phase from unanimity to a minimum of eight jurors. (Staff Contact: Jon Carlson)

#### Disposition of Unclaimed Firearms and Forfeiture

A special committee to examine the issue of unclaimed firearms was formed and chaired by a representative of the Washington State Patrol. During the three meetings held throughout the summer, law enforcement asked for the option to sell or trade firearms. They were also adamantly opposed to turning over the proceeds from auctions to the Wildlife Department. Representatives from Seattle and Everett insisted on the Police Chiefs option to destroy firearms. The gun activist groups were strongly opposed to this policy and no compromise has been reached on this particular issue. (Staff Contact: Jon Carlson)

#### Auto Transfer Promotion Company

The Senate Law and Justice Committee held a hearing during December's committee weekend on the transfer of auto loans. The proposed draft would greatly limit the practice by which people struggling with their auto loans sign over their cars to a promotion company which subsequently resells the vehicle. This causes serious problems for the original lender, and severely impacts the credit of the original purchaser. (Staff Contact: Jon Carlson)

Bigotry and Bias Bill

The bias and bigotry bill, which would require the Washington Association of Sheriffs and Police Chiefs to clarify all incidents that are in violation of RCW 9A.36.080 (malicious harassment statute), passed the Legislature last year. However, the bill required an appropriation in the budget and since this did not occur the bill was rendered null and void. Staff is currently working with the B'nai B'rith League to redraft the bill for possible reintroduction and also to add several additional changes that have been suggested by the Washington Association of Sheriffs and Police Chiefs over the interim. (Staff Contact: Jon Carlson)

DNA

Pursuant to Second Substitute Senate Bill 5375, the Washington State Patrol is required to report to the Legislature on November 1, 1989 regarding implementation of the DNA Identification System. The state patrol formed the DNA Identification Oversight Committee to assist in the development of proposed rules and procedures for the collection, analysis, storage, expungement and use of DNA identification data. The Committee also must develop rules to reasonably protect the privacy interests of the affected parties. Staff has been working closely with the Washington State Patrol, Department of Corrections, University of Washington School of Medicine, and the advisory committee in developing these rules and procedures and in assessing the need for additional clarifying and technical legislation for introduction next session. (Staff Contact: Cliff Petersen)

Juvenile Justice

During the interim, staff has continued to research the issue of consolidating the Juvenile Disposition Standards Commission with the Sentencing Guidelines Commission. Other Juvenile Justice Issues the Committee has been focusing on concern the safety of staff at the Division of Juvenile Rehabilitation institutions, and the ten-year bed plan for secure and semi-secure juvenile facilities. (Staff Contact: Cliff Petersen)

Other issues the Committee has been examining and with regard to possible legislation include preventing the placing of liens on real property due to the nonpayment of public utility services by tenants; modification of the penalty for negligent driving to a simple misdemeanor penalty of a \$1000 fine or 90 days in jail or both; revisions to the 1989 Corporations Act; revisions to the Deed of Trust Act; and modifications to the provisions governing gift and estate taxes.

TRANSPORTATION (Senator Patterson, Chair)

Special Session for Transportation in Limbo

Over the 1989 interim a number of newspaper stories indicated that agreement on a transportation revenue package appeared likely, and that a special legislative session probably would be called to ratify the agreement. That has not yet materialized.

There has been continuing concern about the need to generate new revenue for transportation programs. The Governor has asked his staff to work with Department of Transportation (DOT) and Legislative Transportation Committee (LTC) staff to develop revised estimates of DOT needs, given that: (1) the motor vehicle fund revenue forecast has been revised upward slightly, and (2) nearly a full construction season has been lost.

At this point the revised base numbers have been developed, LTC leadership has been briefed, and there have been meetings between the Governor, Committee leadership and legislative leadership to see if substantial agreement can be reached on adequate funding levels.

Status of Motor Vehicle Fund

The 1978-89 biennium which ended on June 30, 1989 had an ending fund balance of \$137 million, an increase of about \$40 million over our projections last session.

The increase in the ending fund balance is due primarily to actual expenditures being lower than appropriations authority. The DOT anticipated the "no tax increase" budget and slowed construction on Category 3 projects in accordance with the legislative budget proviso.

Assuming no new transportation revenues for the 1989-91 biennium, it is the intent of the Legislature to carry forward the maximum dollars to the 1991-93 biennium and direct the revenues toward preservation of our existing highway system (Category A).

Cross-Puget Sound Transportation Study

The 1987-89 budget contained a provision to study the issue of cross-Puget Sound transportation. Executive Consulting Group (ECG) was engaged by the LTC to evaluate previous bridge studies and suggest areas of future analysis for cross-Sound transportation. In part, the study was to focus on the economic feasibility of various transportation options.

With economic development and population growth continuing in the Puget Sound region, the demand for capital investment in car and passenger-only ferries is rising steadily. This situation raises the question: When, if ever, does it become fiscally prudent to consider

long-term capital investment in non-ferry methods for traversing Puget Sound, rather than expanding the ferry fleet, to meet increased demand?

The consultant found that:

- \* Previous studies suggest alternatives to the ferry system may have potential economic benefit.
- \* Available analysis is out of date and limited in scope.
- \* Economic and social questions remain regarding ferry/bridge alternatives.
- \* There are gaps in the technological data and information available to the Legislature for policy analysis.

In August, ECG presented several proposed work plans to the members of the executive committee of the LTC and the Transportation Commission. The most comprehensive work plan, which included technical engineering analysis, would have cost up to \$650,000.

Given the current revenue constraints, the decision was made to postpone consideration of funding a study of this magnitude, even though it was generally agreed that a long-range capital investment strategy for cross-Sound travel is needed.

#### Agreement Reached on Petroleum Supply Price/Demand Database

The LTC's 1989-91 budget contained \$50,000 for a study, in conjunction with the Washington State Energy Office (WSEO), of gasoline pricing and supply practices.

The LTC has signed a contract with the WSEO to create a petroleum supply and price database, which will be integrated with WSEO's existing petroleum consumption database. The resulting database will serve as a foundation for legislative, agency and public petroleum market analysis in Washington State.

The WSEO will use the database to publish a major petroleum supply and market report and periodic market trends reports. The database will be available for LTC data requests by January 15, 1990. Two progress reports will be made, one each during October and December of 1989.

#### DOT District 1 Headquarters

DOT District 1 (Seattle) personnel currently are housed at the Corson Avenue site, which is owned by the Department and in leased space in the Eastgate Office Park in Bellevue. The DOT's lease on the Bellevue facility expires July 30, 1992.

The Department hired the consulting firm of Kato and Warren to determine long-range space requirements, evaluate the Corson Avenue

site for additional office space, determine city of Seattle land use of development constraints, and develop alternatives for a new facility.

The consulting firm presented a preliminary report to the Transportation Commission in August. Given some limitations at the Corson Avenue site, the Commission directed the Department to develop cost data on other options, such as purchasing space at the Eastgate Office Park or another existing building, or constructing a facility on a site other than Corson Avenue.

The Department also is exploring the possibility of extending its lease on the Eastgate Office Park site beyond July 1992.

#### Status of Passenger-Only Ferry Service

Limited passenger-only ferry service was provided on an experimental basis during the 1987-89 biennium.

The ferry Tyee operated eight hours a day, five days a week, between Bremerton and Seattle. A \$5.2 million capital appropriation also was provided in the 1987-89 budget to acquire two additional passenger-only vessels. The boats, the Skagit and the Kalama, which were constructed by Halter Marine Industries in New Orleans, were delivered to the DOT's Marine Division in August of this year, and now are docked on Lake Union in Seattle.

With the arrival of these boats, it was anticipated that a new service from Seattle to Vashon Island and expanded service on the Seattle-Bremerton route would begin in September 1989. However, funding decisions made by the 1989 Legislature in the biennial transportation budget (ReSSB 5373) led to the discontinuation of all passenger-only service, effective July 1, 1989.

Both current and proposed passenger-only services were tied to the passage of legislation increasing the gas tax and continuing the 1/10 of 1 percent MVET surcharge for ferry operations (SSB 5338). The cost to operate passenger-only service for the 1989-91 biennium was \$4.8 million.

The decision to withhold funding for passenger-only service was based first on the prohibitive cost of operating a new program without a guaranteed funding source (the 0.1 percent MVET surcharge), and second, on the high cost of providing this service. The farebox to tax-subsidy ratio for passenger-only service is about 30-70, compared to a 70-30 funding ration for auto vessel service.

Restoration of passenger-only service is dependent on legislative appropriation authorizing such service. This means the DOT's Marine Division cannot make any legal expenditures for capital or operating purposes without the approval of the full Legislature.

The discontinuation of passenger-only service has raised questions about Marine Division's responsibility to repay federal funds used to construct the vessels. The construction of all three passenger-only vessels and the terminal at Vashon Island (built to accommodate new service to the island) was funded, in part, by money from the federal Urban Mass Transportation Administration (UMTA).

UMTA paid \$1.6 million of the \$2.5 million cost of the Tye, \$4 million of the \$5 million cost of the Skagit and the Kalama, and \$1.2 million of the \$1.5 million cost of the Vashon terminal. Contract provisions between UMTA and the Marine Division require that the vessels be maintained and in service for the useful life of the vessels. Should the vessels be removed from public transportation service, the Marine Division is required to reimburse UMTA for the federal investment in each vessel, based on straight-line depreciation and the remaining useful life of each vessel.

The Marine Division has been in communication with UMTA and indicated that, based on its discussions with the executive and legislative branches, there are strong indications that the program will be reinstated in the upcoming legislative session.

Based on this information, UMTA has agreed to the removal of the vessels from ferry service on the following conditions:

- (1) Value of the UMTA-funded passenger-only vessels may not be depreciated during the period the vessels are not providing passenger-only service.
- (2) The three UMTA-funded ferries must be maintained in operating condition during the period the vessels are removed from service.
- (3) The vessels cannot be kept out of service beyond the completion of the next constitutionally-required legislative session, commencing in January 1990.

The three passenger-only ferries recently were loaned to California to assist them with transportation problems resulting from the October 17 earthquake.

Under the terms of the agreement between the Washington and California Departments of Transportation, California is responsible for all costs, including delivery, re-delivery, liability, wear and tear on the engines, and depreciation.

That agreement guarantees loan of the vessels until December 1. After that date, Washington reserves the option to call the boats back to service on Puget Sound. (Staff Contact: Vicki Fabre)

WAYS AND MEANS (Senator McDonald, Chair)

Most of the following Ways and Means Committee staff interim activities have resulted in a final product which are on file for use by Senators and their staffs:

General Activities

1. Compiled and published the FY89-FY91 Legislative Budget Notes (all staff).
2. Worked with OFM and the House in revising the budget development process to ensure coding consistency and timely transfer of budget data among the executive and legislative branches. This will lead to more accurate and timely information and help in developing legislative budget notes (McLauchlan/Pynch).
3. Worked with OFM and the House in developing a capital budget development system (Freund).
4. Monitored agency allotments and expenditures under the FY89-FY91 operating and capital budgets; monitored caseload growth and expenditure patterns in preparation for 1990 supplemental budget (all staff).
5. Monitored economic and revenue forecasts (Freund).
6. Monitored the implementation of the Omnibus Risk Management bill, which was adopted during the 1989 session. While the legislation offers better management of tort claims, the annual costs of capitalizing this fund could reach as high as \$20 to \$35 million (Poole).
7. Initiated study of revolving funds administered by the Department of General Administration, in an effort to stabilize these funds and implement more effective controls (Pynch/Poole).

Legal Research

Legal research was conducted and memoranda prepared on the following topics:

1. Constitutional limitations on prison population capacities (Jones).
2. Review and summary of state case law on constitutional prohibition against "lending of credit" (Jones).
3. Privacy rights of state prisoners (Jones).
4. Correctional industries and restrictions on sale of products (Jones).
5. Civil commitment of the mentally ill (sex offenders) (Jones).
6. Use of inmate labor on capital construction projects (Jones).
7. Consolidated Emergency Assistance Program (CEAP) status (Jones).
8. The fiduciary duty to administer federal trust lands under the Enabling Act (Jones).
9. Interpretation of taxation provisions of Initiative 102 (Jones/Wilson).
10. Taxation of fund-raising activities of nonprofit organizations (Wilson).

11. Income taxation of retirement income of Washington residents by former states of residence (Wilson).
12. Sales taxation of building permit fee reimbursements to contractors (Wilson).
13. State taxation of lessees of federal land (Wilson).
14. Taxation of shipping costs (Wilson).
15. Oregon-Washington tax agreement in 1984 on Washington's "commuter tax" and Oregon's method of taxing Washington residents who worked in Oregon (Wilson).

### Litigation

Pending litigation against the state was monitored in the following areas:

1. Washington Public Power Supply System (Jones).
2. Distribution of federal forest revenues (Skamania County) (Jones).
3. Nursing home cost reimbursement system (Jones).
4. Initiative 62 reimbursement for local government mandates (Jones).
5. Wholesale functions tax under the business and occupation tax (Wilson).
6. Validity of the business and occupation tax credit fix for persons engaged in multiple activities (National Can) (Wilson).
7. Property tax valuation methodologies and personal property exemptions with respect to railroads and other utilities (Wilson).

### Criminal Justice

1. Prepared a fiscal background paper on various legislative proposals to reform the state's efforts in dealing with sexually violent predators (Hodgins).
2. Developed a comprehensive listing of state aid to local governments for criminal justice functions (Hodgins).
3. Participated on the Department of Corrections Population Management and Facilities Master Plan advisory committee, and the Work Training Release Siting Criteria advisory committee. Developed briefing and analysis of the Governor's operating and capital budget plan for dealing with increased inmate population forecast (Hodgins).
4. Monitored the work and recommendations of the Indigent Defense Task Force which is charged with investigating the problems faced by municipal and county courts associated with the increasing costs of indigent defense (Poole).
5. Participated with OFM to determine ways to ensure greater stability in the Public Safety and Education Account (PSEA), which currently funds \$72 million of criminal justice programs (Poole).



Social and Health Services

1. Managed with the House the drafting of the RFP for the Harborview management study, selection of the contractor —"The Lash Group", and supervising the study process with a final report due February 15 (Hodgins).
2. Participated on the "First Steps" evaluation advisory committee (Hodgins).
3. Monitored Family Independence Program (FIP) caseload growth and expenditure patterns; reviewed job placements and investigated management policy changes and fiscal resources committed to FIP employment assistance; and participated in discussions with DSHS and the Urban Institute regarding program performance evaluation (Hayes)
4. Studied Federal JOBS regulations and analyzed fiscal and program differences between the JOBS and FIP models. JOBS is the Federal government's version of welfare reform, which states must begin to implement no later than October of 1990 (Hayes).
5. Monitored implementation of the new ADATSA program requirements and the allocation of new monies providing expanded services for pregnant women, opiate addicts and youth. Prepared summary materials which describe biennial changes in funding for ADATSA and County grant-in-aid (Hayes).
6. Produced a report that summarizes child care programs financed with state general funds for the 1987-89 and 1989-91 biennia. Reviewed preliminary recommendations of the Child Care Coordinating Committee and attended various community forums and workshops discussing local child care coordination and proposals to amend child care licensing requirements (Hayes).
7. Studied COSMOS internal and external reports and investigated fiscal matters related to project closure. Monitored DSHS planning efforts for the initiation of a new substitute system (Hayes).

K-12 Education

1. Developed parameters, developed contract and monitored progress of local levy study undertaken by the Institute of Public Policy, University of Washington (Kanikeberg).
2. Helped develop RFP for Seattle School District study commissioned by the House (Kanikeberg).
3. Monitored the efforts of the Department of Natural Resources in purchasing common school construction land as required in the FY89-91 biennial budget (Kanikeberg/Freund).
4. Helped design and monitored the study of the Washington Institute of Applied Technology (WIAT) as required in the biennial budget (Kanikeberg).
5. Monitored handicapped education study undertaken by OFM (Kanikeberg).

Higher Education

1. Participated with OFM in developing a consistent employee classification system among four-year and two-year higher education institutions for the purpose of allocating salary increases in a uniform manner (Brownell).
2. Developed study to help determine whether higher education institutions are recovering general fund state expenditures for non-state supported areas (Brownell).
3. Participated in cost benefit analysis of the Washington Higher Education Telecommunications System (WHETS), a microwave teaching broadcasting system developed by WSU (Brownell).
4. Developed UW/WSU peer institutions survey determining the level of private fund raising efforts for capital construction of public college buildings (Brownell).
5. Served on the HECB master plan advisory committee. Provided technical assistance to consultants in preparation of the branch campus study (Brownell).

SENATE SELECT COMMITTEE ON WASHINGTON 2000 (Senator Bluechel, Chair)

The Washington 2000 Project continued to develop during the interim. The Committee itself met six times, including the last two committee weekends. Membership of the Committee changed slightly. Senator Ken Madsen replaced Senator Pat McMullen. Representative Dennis Dellwo was elected the Committee's vice chairman.

The database was enlarged and is expected to include between 250 and 300 studies, reports, articles, etc. by the start of the 1990 legislative session. Topics cover every subject under the jurisdiction of a standing committee. The goals, objectives and recommendations have been identified in these sources, and entered into the computer. A synopsis (up to 1250 characters) is also included. Additional studies and reports have been solicited from House and Senate staff, and Project staff will continue to identify sources for inclusion in the database. Accordingly, the sources database is expected to grow continuously as new reports become available.

Summaries of goals, objectives and key recommendations have been made available to the relevant standing committees as they were processed. The committees were then asked to review them for possible action--long-term legislation being one option. This option was exercised, at least to the point of drafting bills, by two Senate committees, with others indicating they were looking at writing bills prior to the 1990 session.

Much of the interim was spent creating database files to handle the storing and processing of these sources (with their goals, objectives and recommendations to the Legislature), and tracking the long-term legislation. The goal is to keep the system flexible enough so that changes could be made based upon experience, while keeping it structured enough so that reports can be produced and specific items of interest can be retrieved readily. This means setting up support, reference and other files as well. Updated software and hardware were obtained to help in this part of the process.

The paperwork and procedures for fully implementing the Washington 2000 process during the 1990 session are to be prepared by the end of the year. Drafts were discussed with the Select Committee during the December committee weekend, and final adjustments made immediately after. Standing committees should receive this information at the start of the session. (Staff Contact: Steve Boruchowitz)

JOINT SELECT COMMITTEE ON WATER RESOURCE POLICY (Senator Scott Barr,  
Representative Ruth Fisher, Co-Chairs)

The Joint Select Committee on Water Resource Policy is charged with reviewing the fundamentals of state water policy and recommending legislation as appropriate. During 1989, the Committee focused on instream flow standards and water resource planning.

The Committee received extensive briefing by the executive agencies engaged in water or water-related planning. Committee members toured the Green and Methow River basins to increase their knowledge and awareness of water issues on both sides of the Cascades. Public and technical advisory groups were formed to assist the Committee.

An initial proposal on instream flow standards and water resource planning was forwarded by the Committee to the advisory groups. It is anticipated the advisory groups will complete their review and comment on the proposals by December 1. The Committee will review the recommendations of the advisory groups and evaluate its readiness to make legislative recommendations.

The Committee has also developed ten additional proposals for review by the advisory groups. These deal with conservation, efficiency, and transferability of water rights. They likewise will be evaluated by the Committee for possible draft legislation. (Staff Contact: Ed Dee)

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