

FIFTY-FIFTH DAY

MORNING SESSION

Senate Chamber, Olympia, Saturday, March 8, 2008

The Senate was called to order at 9:00 a.m. by President Owen. The Secretary called the roll and announced to the President that all Senators were present with the exception of Senators Benton, Fairley, Jacobsen, Pflug and Rasmussen.

The Sergeant at Arms Color Guard consisting of Assistant Sgts. At Arms Lom Lacey and Lorna Carter, presented the Colors. Senator Kline offered the prayer.

MOTION

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

MOTION

There being no objection, the Senate advanced to the first order of business.

**REPORTS OF STANDING COMMITTEES
GUBERNATORIAL APPOINTMENTS**

March 7, 2008

SGA 9339 GEORGE ORR, appointed on August 8, 2007, for the term ending December 31, 2010, as Member of the Fish and Wildlife Commission. Reported by Committee on Natural Resources, Ocean & Recreation

MAJORITY recommendation: That said appointment be confirmed. Signed by Senators Jacobsen, Chair; Hatfield, Vice Chair; Morton; Fraser; Hargrove and Spanel.

Passed to Committee on Rules for second reading.

MOTION

On motion of Senator Eide, the measure listed on the Standing Committee report was referred to the committee as designated.

MOTION

On motion of Senator Eide, the Senate advanced to the third order of business.

**MESSAGE FROM THE GOVERNOR
GUBERNATORIAL APPOINTMENTS**

February 26, 2008

TO THE HONORABLE, THE SENATE OF THE STATE OF WASHINGTON
Ladies and Gentlemen:

I have the honor to submit the following appointment, subject to your confirmation.

PATRICIA A. WARREN, appointed February 21, 2008, for the term ending June 15, 2011, as Member of the Marine Employees' Commission.

Sincerely,
CHRISTINE O. GREGOIRE, Governor

Referred to Committee on Transportation.

MOTION

On motion of Senator Eide, the appointee listed on the Gubernatorial Appointment report was referred to the committee as designated.

MOTION

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

**SECOND READING
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS**

MOTION

Senator Marr moved that Gubernatorial Appointment No. 9378, Rita Colwell, as the Member, Board of Trustees, The Life Sciences Discovery Fund Authority, be confirmed. Senators Marr and Delvin spoke in favor of the motion.

MOTION

On motion of Senator Brandland, Senators Benton, Holmquist, Pflug, Roach and Zarelli were excused.

APPOINTMENT OF RITA COLWELL

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9378, Rita Colwell as the Member, Board of Trustees, Life Sciences Discovery Fund Authority.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9378, Rita Colwell as the Member, Board of Trustees, The Life Sciences Discovery Fund Authority and the appointment was confirmed by the following vote: Yeas, 44; Nays, 0; Absent, 3; Excused, 2.

Voting yea: Senators Berkey, Brandland, Brown, Carrell, Delvin, Eide, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Prentice, Pridemore, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Spanel, Stevens, Swecker, Tom, Weinstein and Zarelli - 44

Absent: Senators Fairley, Jacobsen and Rasmussen - 3
Excused: Senators Benton and Pflug - 2

Gubernatorial Appointment No. 9378, Rita Colwell, having received the constitutional majority was declared confirmed as the Member, Board of Trustees, The Life Sciences Discovery Fund Authority.

**SECOND READING
CONFIRMATION OF GUBERNATORIAL APPOINTMENTS**

MOTION

Senator Tom moved that Gubernatorial Appointment No. 9311, Tony Hey as a member of the Board of Trustees, The Life Sciences Discovery Fund Authority, be confirmed.

Senator Tom spoke in favor of the motion.

APPOINTMENT OF TONY HEY

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9311, Tony Hey as a member of the Board of Trustees, The Life Sciences Discovery Fund Authority.

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The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9311, Tony Hey as a member of the Board of Trustees, The Life Sciences Discovery Fund Authority and the appointment was confirmed by the following vote: Yeas, 45; Nays, 0; Absent, 2; Excused, 2.

Voting yeas: Senators Berkey, Brandland, Brown, Carrell, Delvin, Eide, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Prentice, Pridemore, Rasmussen, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Spanel, Stevens, Swecker, Tom, Weinstein and Zarelli - 45

Absent: Senators Fairley and Jacobsen - 2

Excused: Senators Benton and Pflug - 2

Gubernatorial Appointment No. 9311, Tony Hey, having received the constitutional majority was declared confirmed as a member of the Board of Trustees, The Life Sciences Discovery Fund Authority.

MOTION

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

MOTION

Senator Roach moved adoption of the following resolution:

SENATE RESOLUTION 8742

By Senators Roach, Kauffman, and Eide

WHEREAS, Linda S. Cowan, superintendent of the Auburn School District, has enjoyed working in the field of education for 40 years, 30 of those years being dedicated to the Auburn School District; and

WHEREAS, Linda has been an elementary teacher, junior high school teacher, junior high school assistant principal, elementary school principal, director of instruction and staff development, director of elementary education, assistant superintendent, and associate superintendent, and has been superintendent of schools in Auburn since 1997; and

WHEREAS, Linda came to Auburn in 1978 from the Renton School District to be assistant principal at Cascade Junior High School after many years of teaching; and

WHEREAS, Linda has been a member of the Auburn Rotary Club since 1986, including as club president in 1991; and she serves on the Board of Governors for Auburn Regional Medical Center, Board of Directors for the School Employees Credit Union, and Board of Directors for PEMCO Insurance; and

WHEREAS, Linda has received many awards and honors, including the Woman of Distinction Award in 1992 from the Auburn Soroptomists and Citizen of the Year in 1992 from the Auburn Area Chamber of Commerce; and

WHEREAS, Linda worked with the Auburn Chamber of Commerce on numerous community projects, including a job shadow program, the Business Week program, and the annual Career Fair; and

WHEREAS, Linda's interests include traveling, reading, playing bridge, and watching Washington Husky football games with her husband, retired Auburn educator Bud Kuhlman; and

WHEREAS, Linda has a high commitment to the Auburn School District and its students, as she can be seen on a daily basis in school buildings attending student programs and events, reading to students, and encouraging students in their various endeavors; and

WHEREAS, Linda has developed a strong relationship with parents and teachers, one built on the ideal that students are the key focal point of our public education system; and

WHEREAS, Linda Cowan will retire as superintendent at the end of June, after 30 years of devoted service to the Auburn community;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State Senate congratulate Linda Cowan on her upcoming retirement, and recognize and honor her for her tremendous work as an educator and for her years of dedication to the Auburn School District, the Auburn community, its students, parents, and teachers.

Senators Roach, Eide and Kauffman spoke in favor of adoption of the resolution.

The President declared the question before the Senate to be the adoption of Senate Resolution No. 8742.

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

INTRODUCTION OF SPECIAL GUESTS

The President welcomed and introduced Dr. Linda Cowan and husband, Bud Kuhlman, who were seated in the gallery.

MOTION

At 9:30 a.m., on motion of Senator Eide, the Senate was declared to be at ease subject to the call of the President.

The Senate was called to order at 11:01 a.m. by President Owen.

MOTION

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

MESSAGE FROM THE HOUSE

March 7, 2008

MR. PRESIDENT:

The House has passed the following bills:
ENGROSSED SENATE BILL NO. 5927,
SENATE BILL NO. 6204,
SUBSTITUTE SENATE BILL NO. 6306,
SUBSTITUTE SENATE BILL NO. 6317,
SUBSTITUTE SENATE BILL NO. 6423,
SUBSTITUTE SENATE BILL NO. 6602,
SUBSTITUTE SENATE BILL NO. 6678,
SUBSTITUTE SENATE BILL NO. 6726,
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

March 7, 2008

MR. PRESIDENT:

The House has passed the following bills:
SUBSTITUTE SENATE BILL NO. 6340,
and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MESSAGE FROM THE HOUSE

March 7, 2008

MR. PRESIDENT:

The House has passed the following bills:
SUBSTITUTE HOUSE JOINT MEMORIAL NO. 4034,

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and the same is herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

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

INTRODUCTION AND FIRST READING

SJM 8033 by Senators Shin, Benton, Eide, Hobbs, Hatfield, Regala, Schoesler, Hewitt, Zarelli, Weinstein, Marr, Rasmussen, Roach, Carrell, King, Brandland, Kilmer, McDermott, Kastama, Berkey, Keiser, Kauffman, Delvin, Honeyford, Holmquist, Tom, Fairley, Murray, McAuliffe, Hargrove, Kline, Kohl-Welles, Spanel, Stevens and Haugen

Requesting the United States Congress to reconsider and halt the procurement of foreign-made tankers for use by the United States Air Force.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

SHJM 4034 by House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Kessler, DeBolt, Kenney, Ericksen, Grant, Springer, Santos, Ross, Morris, Conway, Moeller, Schual-Berke, Lantz, Crouse, Flannigan, Alexander, Rolfes, Kristiansen, Lias, Smith, Barlow, Priest, Kelley, Ericks, Kagi, Blake, Hurst, Pearson, McIntire, Loomis, Roach, Skinner, Haler, Linville, Haigh, Appleton, Quall, Wood, Armstrong, McCune, Walsh, Bailey, Hankins, Warnick, Herrera, Eddy, Dunshee, Condotta, Hinkle, O'Brien, Schindler, Kretz, Ahern, Rodne, Sump, Dunn, Takko, Hudgins, Wallace, Jarrett, Chandler, Miloscia, Orcutt, Upthegrove, Sells, Newhouse, Seaquist, Williams, Simpson, Campbell, Pedersen, Fromhold, Nelson, McCoy, Hunt, Green, Goodman, Darneille, McDonald, Chase, Chopp, Clibborn, Cody, Dickerson, Eickmeyer, Hailey, Hasegawa, Hunter, Kirby, Morrell, Ormsby, Pettigrew, Roberts, Schmick, Sommers, Sullivan and VanDeWege)

Requesting the United States Congress to reconsider and halt the procurement of foreign-made tankers for use by the United States Air Force.

MOTION

There being no objection, on motion of Senator Eide the rules were suspended and Senate Joint Memorial No. 8033 and Substitute House Joint Memorial No. 4034 were placed on the second reading calendar.

MOTION

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

MESSAGE FROM THE HOUSE

March 5, 2008

MR. PRESIDENT:

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The House has passed SECOND SUBSTITUTE SENATE BILL NO. 6220, with the following amendment: 6220-S2 AMH HCW H5828.1

On page 5, after line 29, insert the following:

"NEW SECTION. Sec. 4. A new section is added to chapter 18.79 RCW to read as follows:

(1) The commission, in cooperation with the department of social and health services, shall develop a monitoring system for insulin administered by injection by nursing assistants pursuant to a delegation from a registered nurse made in accordance with RCW 18.79.260(3)(e). The monitoring system shall include information reported by delegating nurses on the number of nursing assistants who administer insulin by injection; the number of patients those nursing assistants serve; the number of injections that have been administered; the number, type, and outcome of any inappropriately administered insulin injections; and other relevant information.

(2) The commission shall report to the governor and the legislature on the findings of the monitoring system and any recommendations for continuing or discontinuing to permit registered nurses to delegate the administration of insulin by injection to nursing assistants in accordance with RCW 18.79.260(3)(e). The report shall be submitted to the governor and the legislature by November 15, 2012.

NEW SECTION. Sec. 5. This act expires June 1, 2013."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

On motion of Senator Regala, Senator Spanel was excused.

MOTION

Senator Keiser moved that the Senate refuse to concur in the House amendment(s) to Second Substitute Senate Bill No. 6220 and ask the House to recede therefrom.

Senators Keiser, Pflug spoke in favor of the motion.

The President declared the question before the Senate to be motion by Senator Keiser that the Senate refuse to concur in the House amendment(s) to Second Substitute Senate Bill No. 6220 and ask the House to recede therefrom.

The motion by Senator Keiser carried and the Senate refused to concur in the House amendment(s) to Second Substitute Senate Bill No. 6220 and asked the House to recede therefrom by voice vote.

MESSAGE FROM THE HOUSE

March 6, 2008

MR. PRESIDENT:

The House has passed SUBSTITUTE SENATE BILL NO. 6231, with the following amendment: 6231-S AMH ENGR H6023.E

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

"(5) The marine protected areas work group established under this section shall coordinate with the marine managed areas work group established in section 5 of this act. The marine protected areas work group is to focus primarily on marine protected areas located in coastal waters as defined in RCW 43.143.020, while the marine managed areas work group established in section 5 of this act is to focus primarily on the Puget Sound. The two work groups may share resources and expertise when appropriate."

On page 3, after line 3, strike all of section 3 and insert the following:

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"NEW SECTION. Sec. 3. (1) The legislature finds that many state agencies and local governments administer marine protected areas, preserves, conservation areas, and other similar geographically based area designations that are a valuable means to protect and enhance Puget Sound's marine resources. The legislature further finds that climate change impacts and increased population and development in the Puget Sound basin will place further stresses upon sustaining the biological diversity and ecosystem health of Puget Sound.

(2) It is the intent of the legislature that state and local actions intended to protect, conserve, and manage marine life and resources be conducted in a coordinated manner, use the best available science, consider the projected impacts on Puget Sound's marine areas from climate change, and contribute to the recovery of the Puget Sound's environmental health by 2020.

(3) It is the purpose of this act to:

(a) Create a strategic network of marine managed areas that contribute to conserving the biological diversity and ecosystem health of Puget Sound and that maximizes the effectiveness of the role of marine managed areas in achieving the recovery of Puget Sound's health by 2020;

(b) Strengthen the coordination of marine managed areas among multiple state agencies and local governments and align these efforts with the work of the Puget Sound partnership to recover the Puget Sound's health by 2020;

(c) Provide for management and designation of marine managed areas programs on an ecosystem basis and incorporate the best available scientific information into these programs;

(d) Adopt a plan that builds a comprehensive system of marine managed areas in Puget Sound, adopts goals and benchmarks for maintaining the diversity of marine life and resources in Puget Sound, and is based upon anticipated threats and stressors such as climate change impacts;

(e) Recognize the interrelationship of the marine ecosystem throughout the Pacific Northwest, and the multiple entities, including local, state, provincial, and federal governments, as well as tribal governments and first nations, that are involved in managing marine managed areas; and

(f) Adopt codified criteria and procedures applicable to the aquatic reserve program on state-owned aquatic lands.

Sec. 4. RCW 90.71.010 and 2007 c 341 s 2 are each amended to read as follows:

~~(Unless the context clearly requires otherwise,)~~ The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Action agenda" means the comprehensive schedule of projects, programs, and other activities designed to achieve a healthy Puget Sound ecosystem that is authorized and further described in RCW 90.71.300 and 90.71.310.

(2) "Action area" means the geographic areas delineated as provided in RCW 90.71.260.

(3) "Benchmarks" means measurable interim milestones or achievements established to demonstrate progress towards a goal, objective, or outcome.

(4) "Board" means the ecosystem coordination board.

(5) "Council" means the leadership council.

(6) "Environmental indicator" means a physical, biological, or chemical measurement, statistic, or value that provides a proximate gauge, or evidence of, the state or condition of Puget Sound.

(7) "Implementation strategies" means the strategies incorporated on a biennial basis in the action agenda developed under RCW 90.71.310.

(8) "Marine managed area" means a named, discrete geographic marine or estuarine area designated by statute, ordinance, resolution, or administrative action, whose designation is intended to protect, conserve, or otherwise manage the marine life and resources within the area.

(9) "Nearshore" means the area beginning at the crest of coastal bluffs and extending seaward through the marine photics

zone, and to the head of tide in coastal rivers and streams. "Nearshore" also means both shoreline and estuaries.

~~((9))~~ (10) "Panel" means the Puget Sound science panel.

~~((10))~~ (11) "Partnership" means the Puget Sound partnership.

~~((11))~~ (12) "Plan" means the Puget Sound marine managed areas plan developed under section 5 of this act.

(13) "Puget Sound" means Puget Sound and related inland marine waters, including all salt waters of the state of Washington inside the international boundary line between Washington and British Columbia, and lying east of the junction of the Pacific Ocean and the Strait of Juan de Fuca, and the rivers and streams draining to Puget Sound as mapped by water resource inventory areas 1 through 19 in WAC 173-500-040 as it exists on July 1, 2007.

~~((12))~~ (14) "Puget Sound partner" means an entity that has been recognized by the partnership, as provided in RCW 90.71.340, as having consistently achieved outstanding progress in implementing the 2020 action agenda.

~~((13))~~ (15) "Watershed groups" means all groups sponsoring or administering watershed programs, including but not limited to local governments, private sector entities, watershed planning units, watershed councils, shellfish protection areas, regional fishery enhancement groups, marine resources committees including those working with the Northwest straits commission, nearshore groups, and watershed lead entities.

~~((14))~~ (16) "Watershed programs" means and includes all watershed-level plans, programs, projects, and activities that relate to or may contribute to the protection or restoration of Puget Sound waters. Such programs include jurisdiction-wide programs regardless of whether more than one watershed is addressed.

NEW SECTION. Sec. 5. A new section is added to chapter 90.71 RCW to read as follows:

(1) The partnership shall prepare a Puget Sound marine managed areas plan to coordinate and strengthen all of the marine managed areas programs managed by state agencies and local governments.

(2) The chair of the council shall designate a work group on marine managed areas to prepare the plan. The work group shall include one or more members of the Puget Sound science panel, one of whom must chair the work group. The work group must include, but not be limited to, state agencies and local governments with regulatory jurisdiction over or that manage marine managed areas including, but not limited to, the department of natural resources, the department of fish and wildlife, the parks and recreation commission, and the department of ecology. The work group shall also include the state biodiversity council, created by executive order 04-02, or the biodiversity council's successor entity. The chair of the council shall also invite representatives of tribal governments, federal agencies, cities, counties, and nongovernmental organizations that have designated or have significant interests in the management of Puget Sound marine managed areas. The chair of the council may also invite representatives from other states and provinces and first nation and tribal governments with interests in marine managed areas in the Pacific Northwest to participate on the work group as observers.

(3) The plan must include, but not be limited to:

(a) Guidelines for identifying key species of concern, threats to these species, and threshold levels of protected habitat needed to recover these species and Puget Sound as a whole to health by 2020;

(b) Guidelines for incorporating the best available scientific information when designating and managing marine managed areas;

(c) Guidelines for managing areas on an ecosystem basis and for coordinating multiple programs and areas within the same biogeographical regions to achieve ecosystem-based management;

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(d) Benchmarks to measure progress toward the recovery of species and protected habitat;

(e) Recommendations for adequate levels of funding for the designation, long-term management, and monitoring of the marine managed areas in the network;

(f) Strategies to address the projected impacts to marine managed areas from population growth, existing and proposed upland and aquatic lands development, and storm water discharges to Puget Sound;

(g) Strategies to prepare for and manage the impacts of climate change, including impacts due to sea level changes, salinity changes, water temperature, increased acidification, and changes in frequency and intensity of precipitation events affecting storm water discharges to marine waters;

(h) An adaptive management component in which new information on the progress of implementing management goals for the individual marine managed areas and overall goals for all such areas, the contribution these areas are making toward the goals of recovering the health of Puget Sound by 2020, and climate change impacts may be considered and integrated into the designation and management of marine managed areas; and

(i) Methodologies for synthesizing monitoring results with programmatic goals to inform decision making on subsequent designation and marine managed areas strategies and any necessary changes in implementation strategies to increase the effectiveness of the marine managed areas program in achieving the goal of recovering the Puget Sound's health by 2020.

(4) The plan must also include comprehensive objectives for coordinating existing marine managed areas and designating additional areas to achieve a network of marine managed areas contributing to long-term conservation of important biota and marine ecosystems and recovery of Puget Sound by 2020. In developing the objectives the work group shall rely primarily upon existing plans and objectives relating to conservation of marine life in Puget Sound, and the program plans prepared by state agencies and local governments administering marine managed areas programs. The plan must also consider activities and uses within or adjacent to marine managed areas that are allowed under existing leases of state-owned aquatic lands issued under chapter 79.105 RCW.

(5) The plan must be completed by July 1, 2010, and submitted to the council for its review and approval. The plan must be incorporated into the Puget Sound action agenda adopted under RCW 90.71.310. The council shall provide for public review and comment on the plan in a manner comparable to the other provisions of the Puget Sound action agenda. The council may, with the assistance of the work group, amend the plan from time to time using public review and comment procedures comparable to those that apply when other elements of the Puget Sound action agenda are revised.

(6) The marine managed areas work group established under this section shall coordinate with the marine protected areas work group established in section 2 of this act. The marine managed areas work group is to focus primarily on the Puget Sound, while the marine protected areas work group established in section 2 of this act is to focus primarily on coastal waters as defined in RCW 43.143.020. The two work groups may share resources and expertise when appropriate.

NEW SECTION. Sec. 6. (1) The work product delivered by the marine managed areas work group established in section 5 of this act must include at least one case study regarding how consistent standards, methods, or protocols that may aid governmental organizations with the future identification of marine managed areas can be developed.

(2) The case study required by this section must be designed to analyze how and when future marine managed areas can or should be developed in urbanized areas where the purpose of the marine protected area is to protect the marine shoreline and adjacent upland environmental, cultural, or community values.

(3) The case study required by this section must be located in an urban marine waterway located in Puget Sound adjacent to

uplands areas available for public access that includes at least one park area developed, in part, with money from the Washington wildlife and recreation program that includes or is planning to include a seawall, walking paths, interpretive displays, and a cultural botanical display area and includes within the borders of the case study area at least one nearby area of state-owned aquatic lands currently under lease with the department of natural resources for use as an industrial marine repair facility capable of servicing marine vessels that are seventy-five feet or more in length.

(4) Until the results of the case study required by this section are delivered to the leadership council of the Puget Sound partnership as part of the work product required by section 5 of this act, the city government with jurisdiction over uplands adjacent to the case study area is prohibited from allowing any shoreline uses or expansions not currently authorized for shorelines located within or adjacent to the case study area if the shoreline use or expansion is related to an industrial use capable of performing any of the following actions on marine vessels that are seventy-five feet or more in length: Construction, refurbishment, maintenance, repair, lay berthing, or demolition.

Sec. 7. RCW 79.105.210 and 2005 c 155 s 143 are each amended to read as follows:

(1) The management of state-owned aquatic lands shall preserve and enhance water-dependent uses. Water-dependent uses shall be favored over other uses in state-owned aquatic land planning and in resolving conflicts between competing lease applications. In cases of conflict between water-dependent uses, priority shall be given to uses which enhance renewable resources, water-borne commerce, and the navigational and biological capacity of the waters, and to statewide interests as distinguished from local interests.

(2) Nonwater-dependent use of state-owned aquatic lands is a low-priority use providing minimal public benefits and shall not be permitted to expand or be established in new areas except in exceptional circumstances where it is compatible with water-dependent uses occurring in or planned for the area.

(3) The department shall consider the natural values of state-owned aquatic lands as wildlife habitat, natural area preserve, representative ecosystem, or spawning area prior to issuing any initial lease or authorizing any change in use. The department may withhold from leasing lands which it finds to have significant natural values, or may provide within any lease for the protection of such values. When withdrawing lands from leasing for the purposes of managing an aquatic reserve, the department shall be guided by the procedures and criteria of section 8 of this act.

(4) The power to lease state-owned aquatic lands is vested in the department, which has the authority to make leases upon terms, conditions, and length of time in conformance with the state Constitution and chapters 79.105 through 79.140 RCW.

(5) State-owned aquatic lands shall not be leased to persons or organizations which discriminate on the basis of race, color, creed, religion, sex, age, or physical or mental handicap.

NEW SECTION. Sec. 8. A new section is added to chapter 79.105 RCW under a new subchapter heading of "aquatic reserve system" to read as follows:

(1) The aquatic reserve system is established. The aquatic reserve system is comprised of those areas of state-owned aquatic lands designated by the department prior to the effective date of this section and any areas added to the system by order of the commissioner thereafter.

(2) State-owned aquatic lands that have one or more of the following characteristics may be included by order of the commissioner in the system as an aquatic reserve:

(a) The lands have been identified as having high priority for conservation, natural systems, wildlife, or low-impact public use values;

(b) The lands have flora, fauna, geological, recreational, archaeological, cultural, scenic, or similar features of critical

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importance and have retained to some degree or reestablished its natural character;

(c) The lands provide significant examples of native ecological communities;

(d) The lands have significant sites or features threatened with conversion to incompatible uses; and

(e) The lands have been identified by the Puget Sound science panel created in RCW 90.71.270 as critical to achieving recovery of Puget Sound by 2020.

(3)(a) The commissioner shall adopt procedures for submission of reserve nominations and for public participation in the review of proposed reserves.

(b) If, consistent with the best available scientific information, a reserve no longer meets the goals and objectives for which it was designated, and adaptive management has not been successful to meet the goals and objectives, the commissioner may by order modify the reserve boundaries or remove the area from reserve status.

(c) The commissioner shall provide public participation procedures for the proposals.

(4) In the designation and management of reserves within Puget Sound, as geographically defined in RCW 90.71.010, the commissioner shall be guided by the marine managed areas plan adopted under section 5 of this act. Within twenty-four months of the adoption of the marine managed areas plan under section 5 of this act, the department shall complete a review of existing management plans and pending reserve nominations for consistency with the guidelines and recommendations in the marine managed areas plan. The commissioner shall accord substantial weight to any recommendations provided by the Puget Sound partnership regarding the designation and management of reserves within Puget Sound.

(5) Where the commissioner determines that management of the taking of fish, shellfish, or wildlife within or adjacent to the reserve would enhance the objectives for which the reserve has been created, the commissioner shall request that the fish and wildlife commission act pursuant to section 9 of this act to adopt supporting rules.

(6) The aquatic reserve system must be coordinated with other marine managed areas, federally recognized marine protected areas, and related regulatory programs. The department shall:

(a) Cooperate with other state agencies and local governments to manage state-owned aquatic lands consistently with the management of uses and activities in the same geographic areas by state parks, the department of fish and wildlife, the department of ecology, and other state agencies; and

(b) Provide recommendations to local governments in updating their shoreline master programs and in sponsoring local marine park reserves or voluntary stewardship areas to seek consistent planning and management activities in areas adjacent to designated reserves.

(7)(a) State agencies with authority over construction activities or water discharges in state waters or that otherwise implement programs that affect a designated aquatic reserve shall give special consideration to increasing protection and reducing and preventing pollution of these areas, consistent with the management objectives of the reserve.

(b) The department should participate in any public processes regarding water discharge or construction permitting affecting aquatic reserves to aid other agencies in their understanding of the provisions of this subsection.

NEW SECTION. Sec. 9. A new section is added to chapter 77.12 RCW to read as follows:

(1) The commission may adopt rules governing the taking of fish, shellfish, or wildlife within or adjacent to an aquatic reserve designated by the department of natural resources under section 8 of this act, or other marine managed areas, as that term is defined in RCW 90.71.010. The commission shall give consideration within sixty days to any rule changes requested by

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the commissioner of public lands to support the purposes of an aquatic reserve.

(2) This section is in addition to and does not limit the commission's authority to establish rules governing the taking of fish, shellfish, or wildlife under any other authority.

NEW SECTION. Sec. 10. The Puget Sound partnership shall provide the plan required by section 5 of this act to the appropriate committees of the legislature by December 1, 2010, together with its recommendations for further policy legislation and budget recommendations to enhance Puget Sound marine managed areas programs.

Sec. 11. RCW 90.71.300 and 2007 c 341 s 12 are each amended to read as follows:

(1) The action agenda shall consist of the goals and objectives in this section, implementation strategies to meet measurable outcomes, benchmarks, ~~((and))~~ identification of responsible entities, and the marine managed areas plan adopted under section 5 of this act. By 2020, the action agenda shall strive to achieve the following goals:

(a) A healthy human population supported by a healthy Puget Sound that is not threatened by changes in the ecosystem;

(b) A quality of human life that is sustained by a functioning Puget Sound ecosystem;

(c) Healthy and sustaining populations of native species in Puget Sound, including a robust food web;

(d) A healthy Puget Sound where freshwater, estuary, nearshore, marine, and upland habitats are protected, restored, and sustained;

(e) An ecosystem that is supported by ground water levels as well as river and stream flow levels sufficient to sustain people, fish, and wildlife, and the natural functions of the environment;

(f) Fresh and marine waters and sediments of a sufficient quality so that the waters in the region are safe for drinking, swimming, shellfish harvest and consumption, and other human uses and enjoyment, and are not harmful to the native marine mammals, fish, birds, and shellfish of the region.

(2) The action agenda shall be developed and implemented to achieve the following objectives:

(a) Protect existing habitat and prevent further losses;

(b) Restore habitat functions and values;

(c) Significantly reduce toxics entering Puget Sound fresh and marine waters;

(d) Significantly reduce nutrients and pathogens entering Puget Sound fresh and marine waters;

(e) Improve water quality and habitat by managing storm water runoff;

(f) Provide water for people, fish and wildlife, and the environment;

(g) Protect ecosystem biodiversity and recover imperiled species; and

(h) Build and sustain the capacity for action.

Sec. 12. RCW 36.125.030 and 2007 c 344 s 4 are each amended to read as follows:

(1) The Puget Sound ~~((action team, or its successor organization,))~~ partnership shall serve as the regional coordinating entity for marine resources committees created in the southern Puget Sound and the department of fish and wildlife shall serve as the regional coordinating entity for marine resources committees created for the outer coast.

(2) The regional coordinating entity shall serve as a resource to, at a minimum:

(a) Coordinate and pool grant applications and other funding requests for marine resources committees;

(b) Coordinate communications and information among marine resources committees;

(c) Assist marine resources committees to measure themselves against regional performance benchmarks;

(d) Assist marine resources committees with coordinating local projects to complement regional priorities;

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(e) Assist marine resources committees to interact with and complement other marine resources committees, and other similar groups, constituted under a different authority; and

(f) Coordinate with the Northwest Straits commission on issues common to marine resources committees statewide.

NEW SECTION. Sec. 13. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, this act is null and void."

Correct the title.
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Jacobsen moved that the Senate refuse to concur in the House amendment(s) to Substitute Senate Bill No. 6231 and request of the House a conference thereon.

Senator Jacobsen spoke in favor of the motion.

The President declared the question before the Senate to be motion by Senator Jacobsen that the Senate refuse to concur in the House amendment(s) to Substitute Senate Bill No. 6231 and request of the House a conference thereon.

The motion by Senator Jacobsen carried and the Senate refused to concur in the House amendment(s) to Substitute Senate Bill No. 6231 and requested of the House a conference thereon by voice vote.

MESSAGE FROM THE HOUSE

March 5, 2008

MR. PRESIDENT:

The House has passed ENGROSSED SUBSTITUTE SENATE BILL NO. 6295, with the following amendment: 6295-S.E AMH APP H5903.1

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that there are many working adults in Washington that need additional postsecondary educational opportunities to further develop their employability. The legislature further finds that many of these people postpone or call off their personal educational plans because they are busy working and raising their families. Because the largest portion of our workforce over the next thirty years is already employed but in need of skill development, and because many low-wage, low-skilled, and mid-skilled individuals cannot take advantage of postsecondary educational opportunities as they currently exist, the legislature intends to identify and test additional postsecondary educational opportunities tailored to make postsecondary education accessible to working adults through the use of campuses extended to include workplace-based educational offerings.

NEW SECTION. Sec. 2. A new section is added to chapter 28C.18 RCW to read as follows:

(1) To the extent funds are appropriated specifically for this purpose and in partnership with the state board for community and technical colleges, the board shall convene a work group that includes representatives from the prosperity partnership, the technology alliance, the higher education coordinating board, a private career or vocational school, a four-year public institution of higher education, the council of faculty representatives, the united faculty of Washington state, community and technical college faculty, and a community and technical college student, to take the following actions related to electronically distributed learning:

(a) Identify and evaluate current national private employer workplace-based educational programs with electronically

distributed learning components provided by public colleges and universities. The evaluation shall include:

(i) A review of the literature and interviews of practitioners about promising practices and results;

(ii) An initial determination of feasibility based on targeted populations served, subject matter, and level of education;

(iii) An overview of technological considerations and adult learning strategies for distribution of learning to employer sites; and

(iv) An overview of cost factors, including shared costs or coinvestments by public and private partners;

(b) Review and, to the extent necessary, establish standards and best practices regarding electronically distributed learning and related support services including online help desk support, advising, mentoring, counseling, and tutoring;

(c) Recommend methods to increase student access to electronically distributed learning programs of study and identify barriers to programs of study participation and completion;

(d) Determine methods to increase the institutional supply and quality of open course materials, with a focus on the OpenCourseWare initiative at the Massachusetts Institute of Technology;

(e) Recommend methods to increase the availability and use of digital open textbooks; and

(f) Review and report demographic information on electronically distributed learning programs of study enrollments, retention, and completions.

(2) The board shall work in cooperation with the state board for community and technical colleges to report the preliminary results of the studies to the appropriate committees of the legislature by December 1, 2008, and a final report by December 1, 2009.

NEW SECTION. Sec. 3. A new section is added to chapter 28C.18 RCW to read as follows:

(1) To the extent funds are appropriated specifically for this purpose, the board shall use a matching fund strategy to select and evaluate up to eight pilot projects operated by Washington institutions of higher education. By September 2008, the board shall select up to eight institutions of higher education as defined in RCW 28B.92.030 including at least four community or technical colleges to develop and offer a pilot project providing employer workplace-based educational programs with distance learning components. The board shall convene a task force that includes representatives from the state board for community and technical colleges and the higher education coordinating board to select the participant institutions. At a minimum, the criteria for selecting the educational institutions shall address:

(a) The ability to demonstrate a capacity to make a commitment of resources to build and sustain a high quality program;

(b) The ability to readily engage faculty appropriately qualified to develop and deliver a high quality curriculum;

(c) The ability to demonstrate demand for the proposed program from a sufficient number of interested employees within its service area to make the program cost-effective and feasible to operate; and

(d) The identification of employers that demonstrate a commitment to host an on-site program. Employers shall demonstrate their commitment to provide:

(i) Access to educational coursework and educational advice and support for entry-level and semiskilled workers, including paid and unpaid release time, and adequate classroom space that is equipped appropriately for the selected technological distance learning methodologies to be used;

(ii) On-site promotion and encouragement of worker participation, including employee orientations, peer support and mentoring, educational tutoring, and career planning;

(iii) Allowance of a reasonable level of worker choice in the type and level of coursework available;

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(iv) Commitment to work with college partner to ensure the relevance of coursework to the skill demands and potential career pathways of the employer host site and other participating employers;

(v) Willingness to participate in an evaluation of the pilot to analyze the net benefit to the employer host site, other employer partners, the worker-students, and the colleges; and

(vi) In firms with union representation, the mandatory establishment of a labor-management committee to oversee design and participation.

(2) Institutions of higher education may submit an application to become a pilot college under this section. An institution of higher education selected as a pilot college shall develop the curriculum for and design and deliver courses. However, the programs developed under this section are subject to approval by the state board for technical and community colleges under RCW 28B.50.090 and by the higher education coordinating board under RCW 28B.76.230.

(3) The board shall evaluate the pilot project and report the outcomes to students and employers by December 1, 2012.

NEW SECTION. Sec. 4. A new section is added to chapter 28C.18 RCW to read as follows:

The board may receive and expend federal funds and private gifts or grants, which funds must be expended in accordance with any conditions upon which the funds are contingent.

NEW SECTION. Sec. 5. Sections 2 through 4 of this act expire December 31, 2012.

NEW SECTION. Sec. 6. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, this act is null and void."

Correct the title.
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Kilmer moved that the Senate refuse to concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 6295 and ask the House to recede therefrom.

The President declared the question before the Senate to be motion by Senator Kilmer that the Senate refuse to concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 6295 and ask the House to recede therefrom.

The motion by Senator Kilmer carried and the Senate refused to concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 6295 and asked the House to recede therefrom by voice vote.

MESSAGE FROM THE HOUSE

March 5, 2008

MR. PRESIDENT:

The House has passed ENGROSSED SUBSTITUTE SENATE BILL NO. 6371, with the following amendment: 6371-S.E AMH HE CLYN 048

On page 2, beginning on line 10, after "section" strike "and the limitations in RCW 28B.15.910"

On page 4, after line 2, insert the following:

"(10) The governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges shall report to the higher education committees of the legislature by November 15, 2010, and every two years thereafter, regarding the status of implementation of the waivers under subsection (4) of this section. The reports shall include the following data and information:

(a) Total number of waivers;

(b) Total amount of tuition waived;

(c) Total amount of fees waived;

(d) Average amount of tuition and fees waived per recipient;

(e) Recipient demographic data that is disaggregated by distinct ethnic categories within racial subgroups; and

(f) Recipient income level, to the extent possible."

On page 4, beginning on line 10, strike all of section 3

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Shin moved that the Senate refuse to concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 6371 and ask the House to recede therefrom.

Senator Shin spoke in favor of the motion.

The President declared the question before the Senate to be motion by Senator Shin that the Senate refuse to concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 6371 and ask the House to recede therefrom.

The motion by Senator Shin carried and the Senate refused to concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 6371 and asked the House to recede therefrom.

MESSAGE FROM THE HOUSE

March 7, 2008

MR. PRESIDENT:

The House has passed SUBSTITUTE SENATE BILL NO. 6426, with the following amendment: 6426-S AMH ED H5813.2

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The office of the superintendent of public instruction shall convene and support a task force to review and make recommendations regarding the interstate compact on educational opportunity for military children. Education committee staff from senate committee services and house of representatives office of program research shall provide support to the legislative members of the task force.

(2) The task force shall review the compact and issue a final report on the following, at a minimum:

(a) Which components of the compact are currently being substantially implemented in Washington and which are not;

(b) The implications of and the interplay between the compact and applicable federal education law;

(c) The implications of and the interplay between the compact and applicable state education law; and

(d) The legal obligations that the compact would impose on the state if it were to be adopted.

(3) The task force shall also address any provisions within the compact that raise concerns of the task force members and shall make recommendations on how to address those concerns within the final report.

(4) The task force shall include the following members:

(a) Four legislative members, including one member appointed by the president of the senate from each of the two largest caucuses of the senate, and one member appointed by the speaker of the house of representatives from each of the two largest caucuses of the house of representatives;

(b) The attorney general or a designee;

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(c) A representative from the United States department of defense;

(d) The superintendent of public instruction or a designee;

(e) A representative from each educational service district;

(f) A superintendent from a school district with a high concentration of military children; and

(g) A representative of the state board of education.

(5) Legislative members of the task force shall be reimbursed for travel expenses under RCW 44.04.120. Nonlegislative members are entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(6) The task force shall present its final report of findings and conclusions, including recommendations for legislative action if necessary, to the appropriate committees of the legislature by December 1, 2008."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Hobbs moved that the Senate refuse to concur in the House amendment(s) to Substitute Senate Bill No. 6426 and request of the House a conference thereon.

Senators Hobbs and King spoke in favor of passage of the motion.

The President declared the question before the Senate to be motion by Senator Hobbs that the Senate refuse to concur in the House amendment(s) to Substitute Senate Bill No. 6426 and request of the House a conference thereon.

The motion by Senator Hobbs carried and the Senate refused to concur in the House amendment(s) to Substitute Senate Bill No. 6426 and requested of the House a conference thereon by voice vote.

MESSAGE FROM THE HOUSE

March 6, 2008

MR. PRESIDENT:

The House has passed ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6438, with the following amendment: 6438-S2.E AMH MCCO H5984.4

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) The legislature finds and declares the following:

(a) The deployment and adoption of high-speed internet services and information technology has resulted in enhanced economic development and public safety for the state's communities, improved health care and educational opportunities, and a better quality of life for the state's residents;

(b) Continued progress in the deployment and adoption of high-speed internet services and other advanced telecommunications services, both land-based and wireless, is vital to ensuring Washington remains competitive and continues to create business and job growth; and

(c) That the state must encourage and support strategic partnerships of public, private, nonprofit, and community-based sectors in the continued growth and development of high-speed internet services and information technology for state residents and businesses.

(2) Therefore, in order to begin advancing the state towards further growth and development of high-speed internet in the state,

it is the legislature's intent to conduct a statewide needs assessment of broadband internet resources through an open dialogue with all interested parties, including providers, unions, businesses, community organizations, local governments, and

state agencies. The legislature further resolves to use this needs assessment in guiding future plans on how to ensure that every resident in Washington state may gain access to high-speed internet services.

NEW SECTION. Sec. 2. (1) After the broadband study authorized by the legislature in 2007 has been completed, or by July 15, 2008, the department of information services, in coordination with the department of community, trade, and economic development and the utilities and transportation commission, shall convene a work group to develop a high-speed internet deployment and adoption strategy for the state.

(2) The department of information services shall invite representatives from the following organizations to participate in the work group:

(a) Representatives of public, private, and nonprofit agencies and organizations representing economic development, local community development, local government, community planning, technology planning, education, and health care;

(b) Representatives of telecommunications providers, technology companies, telecommunications unions, public utilities, and relevant private sector entities;

(c) Representatives of community-based organizations; and

(d) Representatives of other relevant entities as the department of information services may deem appropriate.

(3) The department of information services shall, in consultation with the work group, develop a high-speed internet deployment and adoption strategy to accomplish the following objectives:

(a) Create and regularly update a detailed, geographic information system map at the census block level of the high-speed internet services and other relevant telecommunications and information technology services owned or leased by public entities in the state with instructions on how proprietary and competitively sensitive data will be handled, stored, and used. Development of this geographic information system map may include collaboration with students and faculty at community colleges and universities in the state. The statewide inventory must, at a minimum, detail:

(i) The physical location of all high-speed internet infrastructure owned or leased by public entities;

(ii) The amount of excess capacity available; and

(iii) Whether the high-speed internet infrastructure is active or inactive;

(b) Work collaboratively with telecommunications providers and internet service providers to assess, create, and regularly update a geographic information system map at the census block level of the privately owned high-speed internet infrastructure in the state, with instructions on how proprietary and competitively sensitive data will be handled, stored, and used;

(c) Combine the geographic information system map of high-speed internet infrastructure owned by public entities with the geographic information system map of high-speed internet infrastructure owned by private entities to create and regularly update a statewide inventory of all high-speed internet infrastructure in the state;

(d) Use the geographic information system map of all high-speed internet infrastructure in the state, both public and privately owned or leased, to identify and regularly update the geographic gaps in high-speed internet service, including an assessment of the population located in each of the geographic gaps;

(e) Spur the development of high-speed internet resources in the state, which may include, but is not limited to, soliciting funding in the form of grants or donations; establishing technology literacy programs in conjunction with institutions of higher education; establishing low-cost hardware and software purchasing programs; and developing loan programs targeting small businesses or businesses located in underserved areas;

(f) Track statewide residential and business adoption of high-speed internet, computers, and related information technology, including an identification of barriers to adoption;

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(g) Build and facilitate local technology planning teams and partnerships with members representing cross-sections of the community, which may include participation from the following organizations: Representatives of business, telecommunications unions, K-12 education, community colleges, local economic development organizations, health care, libraries, universities, community-based organizations, local governments, tourism, parks and recreation, and agriculture;

(h) Use the local technology planning teams and partnerships to:

(i) Conduct a needs assessment; and

(ii) Work collaboratively with high-speed internet providers and technology companies across the state to encourage deployment and use, especially in unserved areas, through use of local demand aggregation, mapping analysis, and creation of market intelligence to improve the investment rationale and business case; and

(i) Establish low-cost programs to improve computer ownership, technology literacy, and high-speed internet access for disenfranchised or unserved populations across the state.

(4) By September 1, 2008, the department of information services shall provide a status update to the telecommunications committees in the house of representatives and the senate, outlining the progress made to date by the work group and the issues remaining to be considered.

(5) By December 1, 2008, the department of information services shall complete the high-speed internet deployment and adoption strategy and provide a report to the fiscal and telecommunications committees in the house of representatives and the senate, the governor, and the office of financial management. The main objective of the report is to outline, based on the efforts of the work group, what legislation is needed in order to implement the high-speed internet deployment and adoption strategy, including a range of potential funding requests to accompany the legislation. Specifically, the report shall include the following:

(a) Benchmarks, performance measures, milestones, deliverables, timelines, and such other indicators of performance and progress as are necessary to guide development and implementation of the high-speed internet deployment and adoption strategy, both short term and long term, including an assessment of the amount of funding needed to accomplish a baseline assessment of the high-speed internet infrastructure owned by public and private entities of the state in an eighteen-month period; and

(b) Ways to structure and appropriately scale and phase development and implementation of the high-speed internet deployment and adoption strategy so as to link to, leverage, and otherwise synchronize with other relevant and related funding, technology, capital initiatives, investments, and opportunities.

NEW SECTION. Sec. 3. A new section is added to chapter 43.105 RCW to read as follows:

(1) The department of information services, the department of community, trade, and economic development, the utilities and transportation commission, or any other governmental agent or agency shall not gather or request any information related to high-speed internet infrastructure or service from providers of telecommunications or high-speed internet services that could be classified as proprietary or competitively sensitive.

(2) Nothing in this section may be construed as limiting the authority of the utilities and transportation commission to gather or request information from providers of telecommunications services pursuant to its authority under Title 80 RCW.

(3) Nothing in this section may be construed as limiting the authority of the department of information services to gather or request information from providers of telecommunications services in order to carry out the business of the department, including acquisitions and procurements, contracting, other solicitations, and any planning or architecture-related activities.

NEW SECTION. Sec. 4. Nothing in this act may be construed as giving the department of information services or

any other entities any additional authority, regulatory or otherwise, over providers of telecommunications and information technology.

NEW SECTION. Sec. 5. A new section is added to chapter 43.105 RCW to read as follows:

(1) By January 1, 2009, the department, in consultation with the utilities and transportation commission and other relevant agencies, shall identify and make publicly available a web directory of public facilities that provide community technology programs throughout the state.

(2) For the purposes of this section, "community technology program," also known as a digital inclusion program, means a program engaged in diffusing information and communications technology in local communities, particularly in unserved areas. These programs may include, but are not limited to, programs that provide education and skill-building opportunities, hardware and software ownership, internet connectivity, and development of locally relevant content and delivery of vital services through technology.

NEW SECTION. Sec. 6. If sections 1 through 5 of this act become null and void, the department of information services shall include high-speed internet adoption and deployment in its 2009-2011 strategic plan.

NEW SECTION. Sec. 7. If specific funding for the purposes of sections 1 through 5 of this act, referencing sections 1 through 5 of this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, sections 1 through 5 of this act are null and void."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Kohl-Welles moved that the Senate refuse to concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 6438 and ask the House to recede therefrom.

The President declared the question before the Senate to be motion by Senator Kohl-Welles that the Senate refuse to concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 6438 and ask the House to recede therefrom.

The motion by Senator Kohl-Welles carried and the Senate refused to concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 6438 and asked the House to recede therefrom by voice vote.

MESSAGE FROM THE HOUSE

March 7, 2008

MR. PRESIDENT:

The House has passed SUBSTITUTE SENATE BILL NO. 6609, with the following amendment: 6609-S AMH HINK CADE 020

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1)(a) A legislative task force on agricultural structure permits is established, with members as provided in this subsection.

(i) The president of the senate shall appoint one member from each of the two largest caucuses of the senate.

(ii) The speaker of the house shall appoint one member from each of the two largest caucuses of the house of representatives.

(iii) The governor shall appoint one member representing the state building code council.

(b) The task force shall choose its chair from among its legislative membership.

(c) The advisory policy committee must have the following nonvoting ex officio members:

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(i) One member representing cities;
 (ii) One member representing counties; and
 (iii) Three members representing statewide agricultural organizations.

(2) The task force shall review the following issues:

(a) Permit costs for specialty agricultural structures in Washington and adjoining states and provinces; and

(b) Alternative fee structures and building code requirements for agricultural structures.

(3) Staff support for the task force must be provided by the senate committee services and the house of representatives office of program research.

(4) Legislative members of the task force must be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(5) The expenses of the task force must be paid jointly by the house of representatives and the senate. Task force expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.

(6) The task force shall report its findings and recommendations to the appropriate committees of the house of representatives and the senate by January 1, 2009.

(7) This section expires April 1, 2009."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Fairley moved that the Senate refuse to concur in the House amendment(s) to Substitute Senate Bill No. 6609 and ask the House to recede therefrom.

Senators Fairley spoke in favor of the motion.

The President declared the question before the Senate to be motion by Senator Fairley that the Senate refuse to concur in the House amendment(s) to Substitute Senate Bill No. 6609 and ask the House to recede therefrom.

The motion by Senator Fairley carried and the Senate refused to concur in the House amendment(s) to Substitute Senate Bill No. 6609 and asked the House to recede therefrom by voice vote.

MESSAGE FROM THE HOUSE

March 6, 2008

MR. PRESIDENT:

The House has passed ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6673, with the following amendment: 6673-S2.E AMH ENGR H5985.E

Strike everything after the enacting clause and insert the following:

"**NEW SECTION. Sec. 1.** The legislature finds that high school students need to graduate with the skills necessary to be successful in college and work. The state graduation requirements help to ensure that Washington high school graduates have the basic skills to be competitive in a global economy. Under education reform started in 1993, time was to be the variable, obtaining the skills was to be the constant. Therefore, students who need additional time to gain the academic skills needed for college and the workplace should have the opportunities they need to reach high academic achievement, even if that takes more than the standard four years of high school.

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Different students face different challenges and barriers to their academic success. Some students struggle to meet the standard on a single portion of the Washington assessment of student learning while excelling in the other subject areas; other students struggle to complete the necessary state or local graduation credits; while still others have their knowledge tested on the assessments and have completed all the credit requirements but are struggling because English is not their first language. The legislature finds that many of these students need additional time and support to achieve academic proficiency and meet all graduation requirements.

Sec. 2. RCW 28A.655.061 and 2007 c 355 s 5 and 2007 c 354 s 2 are each reenacted and amended to read as follows:

(1) The high school assessment system shall include but need not be limited to the Washington assessment of student learning, opportunities for a student to retake the content areas of the assessment in which the student was not successful, and if approved by the legislature pursuant to subsection (10) of this section, one or more objective alternative assessments for a student to demonstrate achievement of state academic standards. The objective alternative assessments for each content area shall be comparable in rigor to the skills and knowledge that the student must demonstrate on the Washington assessment of student learning for each content area.

(2) Subject to the conditions in this section, a certificate of academic achievement shall be obtained by most students at about the age of sixteen, and is evidence that the students have successfully met the state standard in the content areas included in the certificate. With the exception of students satisfying the provisions of RCW 28A.155.045 or 28A.655.0611, acquisition of the certificate is required for graduation from a public high school but is not the only requirement for graduation.

(3) Beginning with the graduating class of 2008, with the exception of students satisfying the provisions of RCW 28A.155.045, a student who meets the state standards on the reading, writing, and mathematics content areas of the high school Washington assessment of student learning shall earn a certificate of academic achievement. If a student does not successfully meet the state standards in one or more content areas required for the certificate of academic achievement, then the student may retake the assessment in the content area up to four times at no cost to the student. If the student successfully meets the state standards on a retake of the assessment then the student shall earn a certificate of academic achievement. Once objective alternative assessments are authorized pursuant to subsection (10) of this section, a student may use the objective alternative assessments to demonstrate that the student successfully meets the state standards for that content area if the student has taken the Washington assessment of student learning at least once. If the student successfully meets the state standards on the objective alternative assessments then the student shall earn a certificate of academic achievement.

(4) Beginning no later than with the graduating class of 2013, a student must meet the state standards in science in addition to the other content areas required under subsection (3) of this section on the Washington assessment of student learning or the objective alternative assessments in order to earn a certificate of academic achievement. The state board of education may adopt a rule that implements the requirements of this subsection (4) beginning with a graduating class before the graduating class of 2013, if the state board of education adopts the rule by September 1st of the freshman school year of the graduating class to which the requirements of this subsection (4) apply. The state board of education's authority under this subsection (4) does not alter the requirement that any change in performance standards for the tenth grade assessment must comply with RCW 28A.305.130.

(5) The state board of education may not require the acquisition of the certificate of academic achievement for students in home-based instruction under chapter 28A.200 RCW, for students enrolled in private schools under chapter

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28A.195 RCW, or for students satisfying the provisions of RCW 28A.155.045.

(6) A student may retain and use the highest result from each successfully completed content area of the high school assessment.

(7) School districts must make available to students the following options:

(a) To retake the Washington assessment of student learning up to four times in the content areas in which the student did not meet the state standards if the student is enrolled in a public school; or

(b) To retake the Washington assessment of student learning up to four times in the content areas in which the student did not meet the state standards if the student is enrolled in a high school completion program at a community or technical college. The superintendent of public instruction and the state board for community and technical colleges shall jointly identify means by which students in these programs can be assessed.

(8) Students who achieve the standard in a content area of the high school assessment but who wish to improve their results shall pay for retaking the assessment, using a uniform cost determined by the superintendent of public instruction.

(9) Opportunities to retake the assessment at least twice a year shall be available to each school district.

(10)(a) The office of the superintendent of public instruction shall develop options for implementing objective alternative assessments, which may include an appeals process for students' scores, for students to demonstrate achievement of the state academic standards. The objective alternative assessments shall be comparable in rigor to the skills and knowledge that the student must demonstrate on the Washington assessment of student learning and be objective in its determination of student achievement of the state standards. Before any objective alternative assessments in addition to those authorized in RCW 28A.655.065 or (b) of this subsection are used by a student to demonstrate that the student has met the state standards in a content area required to obtain a certificate, the legislature shall formally approve the use of any objective alternative assessments through the omnibus appropriations act or by statute or concurrent resolution.

(b)(i) A student's score on the mathematics, reading or English, or writing portion of the scholastic assessment test (SAT) or the American college test (ACT) may be used as an objective alternative assessment under this section for demonstrating that a student has met or exceeded the state standards for the certificate of academic achievement. The state board of education shall identify the scores students must achieve on the relevant portion of the SAT or ACT to meet or exceed the state standard in the relevant content area on the Washington assessment of student learning. The state board of education shall identify the first scores by December 1, 2007. After the first scores are established, the state board may increase but not decrease the scores required for students to meet or exceed the state standards.

(ii) Until August 31, 2008, a student's score on the mathematics portion of the preliminary scholastic assessment test (PSAT) may be used as an objective alternative assessment under this section for demonstrating that a student has met or exceeded the state standard for the certificate of academic achievement. The state board of education shall identify the score students must achieve on the mathematics portion of the PSAT to meet or exceed the state standard in that content area on the Washington assessment of student learning.

(iii) A student who scores at least a three on the grading scale of one to five for selected (~~advance placement~~) AP examinations may use the score as an objective alternative assessment under this section for demonstrating that a student has met or exceeded state standards for the certificate of academic achievement. A score of three on the (~~advance placement~~) AP examinations in calculus or statistics may be used as an alternative assessment for the mathematics portion of

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the Washington assessment of student learning. A score of three on the (~~advance placement~~) AP examinations in English language and composition may be used as an alternative assessment for the writing portion of the Washington assessment of student learning. A score of three on the (~~advance placement~~) AP examinations in English literature and composition, macroeconomics, microeconomics, psychology, United States history, world history, United States government and politics, or comparative government and politics may be used as an alternative assessment for the reading portion of the Washington assessment of student learning.

(11) By December 15, 2004, the house of representatives and senate education committees shall obtain information and conclusions from recognized, independent, national assessment experts regarding the validity and reliability of the high school Washington assessment of student learning for making individual student high school graduation determinations.

(12) To help assure continued progress in academic achievement as a foundation for high school graduation and to assure that students are on track for high school graduation, each school district shall prepare plans for and notify students and their parents or legal guardians as provided in this subsection (12).

(a) Student learning plans are required for eighth through twelfth grade students who were not successful on any or all of the content areas of the Washington assessment for student learning during the previous school year or who may not be on track to graduate due to credit deficiencies or absences. The parent or legal guardian shall be notified about the information in the student learning plan, preferably through a parent conference and at least annually. To the extent feasible, schools serving English language learner students and their parents shall translate the plan into the primary language of the family. The plan shall include the following information as applicable:

(i) The student's results on the Washington assessment of student learning;

(ii) If the student is in the transitional bilingual program, the score on his or her Washington language proficiency test II;

(iii) Any credit deficiencies;

(iv) The student's attendance rates over the previous two years;

(v) The student's progress toward meeting state and local graduation requirements;

(vi) The courses, competencies, and other steps needed to be taken by the student to meet state academic standards and stay on track for graduation(~~— If applicable, the plan shall also include the high school completion pilot program created under RCW 28B.50.534.~~

(i) The parent or guardian shall be notified, preferably through a parent conference, of the student's results on the Washington assessment of student learning, actions the school intends to take to improve the student's skills in any content area in which the student was unsuccessful, strategies to help them improve their student's skills, and the content of the student's plan.

(ii) Progress made on the student plan shall be reported to the student's parents or guardian at least annually and adjustments to the plan made as necessary);

(vii) Remediation strategies and alternative education options available to students, including informing students of the option to continue to receive instructional services after grade twelve or until the age of twenty-one;

(viii) The alternative assessment options available to students under this section and RCW 28A.655.065;

(ix) School district programs, high school courses, and career and technical education options available for students to meet graduation requirements; and

(x) Available programs offered through skill centers or community and technical colleges.

(b) All fifth grade students who were not successful in one or more of the content areas of the fourth grade Washington

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assessment of student learning shall have a student learning plan.

(i) The parent or guardian of the student shall be notified, preferably through a parent conference, of the student's results on the Washington assessment of student learning, actions the school intends to take to improve the student's skills in any content area in which the student was unsuccessful, and provide strategies to help them improve their student's skills.

(ii) Progress made on the student plan shall be reported to the student's parents or guardian at least annually and adjustments to the plan made as necessary.

NEW SECTION. Sec. 3. A new section is added to chapter 28A.320 RCW to read as follows:

(1) The extended learning opportunities program is created for eligible eleventh and twelfth grade students who are not on track to meet local or state graduation requirements as well as eighth grade students who may not be on track to meet the standard on the Washington assessment of student learning or need additional assistance in order to have the opportunity for a successful entry into high school. The program shall provide early notification of graduation status and information on education opportunities including preapprenticeship programs that are available.

(2) Under the extended learning opportunities program, districts shall make available to students in grade twelve who have failed to meet one or more local or state graduation requirements the option of continuing enrollment in the school district in accordance with RCW 28A.225.160. Districts are authorized to use basic education program funding to provide instruction to eligible students under RCW 28A.150.220(3).

(3) Under the extended learning program, instructional services for eligible students can occur during the regular school day, evenings, on weekends, or at a time and location deemed appropriate by the school district, including the educational service district, in order to meet the needs of these students. Instructional services provided under this section do not include services offered at private schools. Instructional services can include, but are not limited to, the following:

(a) Individual or small group instruction;

(b) Instruction in English language arts and/or mathematics that eligible students need to pass all or part of the Washington assessment of student learning;

(c) Attendance in a public high school or public alternative school classes or at a skill center;

(d) Inclusion in remediation programs, including summer school;

(e) Language development instruction for English language learners;

(f) Online curriculum and instructional support, including programs for credit retrieval and Washington assessment of student learning preparatory classes; and

(g) Reading improvement specialists available at the educational service districts to serve eighth, eleventh, and twelfth grade educators through professional development in accordance with RCW 28A.415.350. The reading improvement specialist may also provide direct services to eligible students and those students electing to continue a fifth year in a high school program who are still struggling with basic reading skills.

Sec. 4. RCW 28A.165.035 and 2004 c 20 s 4 are each amended to read as follows:

Use of best practices magnifies the opportunities for student success. The following are services and activities that may be supported by the learning assistance program:

(1) Extended learning time opportunities occurring:

(a) Before or after the regular school day;

(b) On Saturday; and

(c) Beyond the regular school year;

(2) Services under section 3 of this act;

(3) Professional development for certificated and classified staff that focuses on:

(a) The needs of a diverse student population;

(b) Specific literacy and mathematics content and instructional strategies; and

(c) The use of student work to guide effective instruction;

~~((3))~~ (4) Consultant teachers to assist in implementing effective instructional practices by teachers serving participating students;

~~((4))~~ (5) Tutoring support for participating students; and

~~((5))~~ (6) Outreach activities and support for parents of participating students.

NEW SECTION. Sec. 5. If funding is appropriated for this purpose, the office of the superintendent of public instruction shall explore online curriculum support in languages other than English that are currently available. By December 1, 2008, the office of the superintendent of public instruction shall report to the appropriate committees of the legislature recommendations for other online support in other languages that would most appropriately assist Washington's English language learners. Included in the recommendations shall be the actions that would need to be taken to access the recommended online support and the cost.

NEW SECTION. Sec. 6. A new section is added to chapter 28A.655 RCW to read as follows:

(1) If funding is appropriated for this purpose, school districts shall provide all tenth graders enrolled in the district the option of taking the PSAT at no cost to the student.

(2) The office of the superintendent of public instruction shall enter into an agreement with the firm that administers the PSAT to reimburse the firm for the testing fees of students who take the test.

NEW SECTION. Sec. 7. (1) The legislature intends to build on the lessons learned in the Lorraine Wajohn dyslexia pilot reading program, which the legislature has funded since 2005.

(2) By September 15, 2008, each of the grant recipients shall report to the office of the superintendent of public instruction on the lessons learned in the pilot program regarding effective assessment and intervention programs to help students with dyslexia or characteristics of dyslexia, best practices for professional development, and strategies to build capacity and sustainability among teaching staff.

(3) By December 31, 2008, the office of the superintendent of public instruction shall aggregate the reports from the grant recipients and provide a report and recommendations to the appropriate committees of the legislature. The recommendations shall include how the lessons learned through the pilot program are best shared with school districts and how the best practices can be implemented statewide.

NEW SECTION. Sec. 8. (1) The legislature finds that educators are faced with the complex responsibility of educating an increasing population of English language learners who speak a wide variety of languages and dialects and may come with varying levels of formal schooling, students who come from low-income households, and students who have learning disabilities. These educators struggle to provide meaningful instruction that helps students meet high content standards while overcoming their challenges. The 2007 legislature directed the professional educator standards board to begin the process of adopting new certification requirements and revising the higher education teacher preparation program requirements. Additionally, the office of the superintendent of public instruction was directed to contract with the northwest regional educational laboratory to review and report on the ongoing English as a second language pilot projects and best practices related to helping students who are English language learners. It is therefore the intent of the legislature to build upon the work started in 2007 by requiring that the professional educator standards board consider the findings of the northwest regional educational laboratory and incorporate into its ongoing work a review of how to revise the current certification requirements and teacher preparation programs in order to better serve the needs of English language learners.

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(2) The professional educator standards board shall convene a work group to develop recommendations for increasing teacher knowledge, skills, and competencies to address the needs of English language learner students. The work group shall include representatives from the Washington association of colleges for teacher education, school districts with significant populations of English language learner students who speak a single language, school districts with significant populations of English language learner students who speak multiple languages, classroom teachers, English as a second language teachers, bilingual education teachers, principals, the migrant and bilingual education office in the office of the superintendent of public instruction, and the higher education coordinating board. In making its selections, the professional educator standards board must include members from diverse cultural backgrounds and strive to promote geographic balance. The professional educator standards board shall invite participation by the northwest regional educational laboratory.

(3) The work group shall identify gaps and weaknesses in the current knowledge and skills standards for teacher preparation and teacher competencies regarding understanding how students acquire language, how to teach academic content in English to non-English speakers, and how to demonstrate cultural competence. The work group shall look to the English as a second language demonstration projects under RCW 28A.630.058 and the accompanying research and evaluation by the northwest regional educational laboratory.

(4) The work group shall submit a report by December 1, 2008, to the governor and the education and higher education committees of the legislature with findings and recommendations to improve the teacher preparation knowledge and skills standards and teacher competencies in the areas identified under subsection (2) of this section. Recommendations shall also include what professional development program components are most effective for existing educators of English language learners.

Sec. 9. RCW 28B.118.010 and 2007 c 405 s 2 are each amended to read as follows:

The higher education coordinating board shall design the Washington college bound scholarship program in accordance with this section.

(1) "Eligible students" are those students who qualify for free or reduced-price lunches. If a student qualifies in the seventh grade, the student remains eligible even if the student does not receive free or reduced-price lunches thereafter.

(2) Eligible students shall be notified of their eligibility for the Washington college bound scholarship program beginning in their seventh grade year. Students shall also be notified of the requirements for award of the scholarship.

(3) To be eligible for a Washington college bound scholarship, a student must sign a pledge during seventh or eighth grade that includes a commitment to graduate from high school with at least a C average and with no felony convictions. Students who were in the eighth grade during the 2007-08 school year may sign the pledge during the 2008-09 school year. The pledge must be witnessed by a parent or guardian and forwarded to the higher education coordinating board by mail or electronically, as indicated on the pledge form.

(4)(a) Scholarships shall be awarded to eligible students graduating from public high schools, approved private high schools under chapter 28A.195 RCW, or who received home-based instruction under chapter 28A.200 RCW.

(b) To receive the Washington college bound scholarship, a student must graduate with at least a "C" average from a public high school or an approved private high school under chapter 28A.195 RCW in Washington or have received home-based instruction under chapter 28A.200 RCW, must have no felony convictions, and must be a resident student as defined in RCW 28B.15.012(2) (a) through (d).

(5) A student's family income will be assessed upon graduation before awarding the scholarship.

(6) If at graduation from high school the student's family income does not exceed sixty-five percent of the state median family income, scholarship award amounts shall be as provided in this section.

(a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, the value of the award shall be (i) the difference between the student's tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives; (ii) plus five hundred dollars for books and materials.

(b) For students attending private four-year institutions of higher education in Washington, the award amount shall be the representative average of awards granted to students in public research universities in Washington.

(c) For students attending private vocational schools in Washington, the award amount shall be the representative average of awards granted to students in public community and technical colleges in Washington.

(7) Recipients may receive no more than four full-time years' worth of scholarship awards.

(8) Institutions of higher education shall award the student all need-based and merit-based financial aid for which the student would otherwise qualify. The Washington college bound scholarship is intended to replace unmet need, loans, and, at the student's option, work-study award before any other grants or scholarships are reduced.

(9) The first scholarships shall be awarded to students graduating in 2012.

(10) The state of Washington retains legal ownership of tuition units awarded as scholarships under this chapter until the tuition units are redeemed. These tuition units shall remain separately held from any tuition units owned under chapter 28B.95 RCW by a Washington college bound scholarship recipient.

(11) The scholarship award must be used within five years of receipt. Any unused scholarship tuition units revert to the Washington college bound scholarship account.

(12) Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the scholarship tuition units shall revert to the Washington college bound scholarship account.

Sec. 10. RCW 28A.165.055 and 2005 c 489 s 1 are each amended to read as follows:

(1) Each school district with an approved program is eligible for state funds provided for the learning assistance program. The funds shall be appropriated for the learning assistance program in accordance with the biennial appropriations act. The distribution formula is for school district allocation purposes only. The distribution formula shall be based on one or more family income factors measuring economic need.

(2) In addition to the funds allocated to eligible school districts on the basis of family income factors, enhanced funds shall be allocated for school districts where more than twenty percent of students are eligible for and enrolled in the transitional bilingual instruction program under chapter 28A.180 RCW as provided in this subsection. The enhanced funding provided in this subsection shall take effect beginning in the 2008-09 school year.

(a) If, in the prior school year, a district's percent of October headcount student enrollment in grades kindergarten through twelve who are enrolled in the transitional bilingual instruction program, based on an average of the program headcount taken in October and May, exceeds twenty percent, twenty percent shall be subtracted from the district's percent transitional bilingual instruction program enrollment and the resulting percent shall be multiplied by the district's kindergarten through twelve annual average full-time equivalent enrollment for the prior school year.

(b) The number calculated under (a) of this subsection shall be the number of additional funded students for purposes of this

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subsection, to be multiplied by the per-funded student allocation rates specified in the omnibus appropriations act.

(c) School districts are only eligible for the enhanced funds under this subsection if their percentage of October headcount enrollment in grades kindergarten through twelve eligible for free or reduced price lunch exceeded forty percent in the prior school year.

NEW SECTION. Sec. 11. A new section is added to chapter 28A.310 RCW to read as follows:

Educational service districts shall develop and provide a program of outreach to community-based programs and organizations within the district that are serving non-English speaking segments of the population as well as those programs that target subgroups of students that may be struggling academically, including to the extent possible, African-American, Native American, Asian, Pacific Islander, Hispanic, low income, and special education. Educational service districts shall consult and coordinate with the governor's minority commissions and the governor's office of Indian affairs in order to efficiently conduct this outreach and are encouraged to enter into partnerships with representatives of the local business communities in order to develop a coordinated outreach plan. The purpose of the outreach activities shall be to inform students via the various community-based programs and organizations of the educational opportunities available under chapter . . . , Laws of 2008 (this act) and to engage them in the process as appropriate. Outreach shall at a minimum include information about the availability of dropout and credit retrieval programs, remediation programs, and extended learning opportunities, including fifth year opportunities.

NEW SECTION. Sec. 12. A new section is added to chapter 28A.300 RCW to read as follows:

Subject to funds appropriated for this purpose, the office of the superintendent of public instruction shall allocate grant funds to school districts to provide summer school funding for middle and high schools for all students to explore career opportunities rich in math, science, and technology using career and technical education as the delivery model.

NEW SECTION. Sec. 13. A new section is added to chapter 28A.300 RCW to read as follows:

Subject to funds appropriated for this purpose, the office of the superintendent of public instruction shall contract with a national organization to establish, maintain, and operate an endowment for the promotion of geography education in Washington state. The national organization must have experience operating geography education endowments in other states and must provide equal nonstate matching funds to the state funds provided in the contract. All funds in and any interest earned on the endowment shall be used exclusively for geography education programs including, but not limited to, curriculum materials, resource collections, and professional development institutes for teachers and administrators. The national organization must have an established affiliated advisory committee in the state to recommend local projects to be funded by the endowment. The contract shall require that the organization report annually to the superintendent on the recipients of endowment funds and the amounts and purposes of expenditures from the fund."

Correct the title.
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator McAuliffe moved that the Senate refuse to concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 6673 and request of the House a conference thereon.

Senator McAuliffe spoke in favor of the motion.

The President declared the question before the Senate to be motion by Senator McAuliffe that the Senate refuse to concur in

the House amendment(s) to Engrossed Second Substitute Senate Bill No. 6673 and request of the House a conference thereon.

The motion by Senator McAuliffe carried and the Senate refused to concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 6673 and requested of the House a conference thereon by voice vote.

MESSAGE FROM THE HOUSE

March 6, 2008

MR. PRESIDENT:

The House has passed SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5100, with the following amendment: 5100-S.E2 AMH ED H5855.2

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 28A.210 RCW to read as follows:

(1) By August 1, 2008, the superintendent of public instruction shall solicit and select up to six school districts to implement, on a pilot project basis, this section. The selected school districts shall include districts from urban and rural areas, and eastern and western Washington.

(2) Beginning with the 2008-09 school year, as part of a public school's enrollment process, each school participating as a pilot project shall annually inquire whether a student has health insurance. The school shall include in the inquiry a statement explaining that an outreach worker may contact families with uninsured students about options for health care coverage. The inquiry shall make provision for the parent or guardian to authorize the sharing of information for this purpose, consistent with state and federal confidentiality requirements.

(3) The school shall record each student's health insurance status in the district's student information system.

(4) By December 1, 2008, from the district's student information system, the pilot school shall develop a list of students without insurance for whom parent authorization to share information was granted. To the extent such information is available, the list shall include:

(a) Identifiers, including each student's full name and date of birth; and

(b) Parent or guardian contact information, including telephone number, e-mail address, and street address.

(5) By September 1, 2008, the department and superintendent shall develop and make available a model agreement to enable schools to share student information in compliance with state and federal confidentiality requirements.

(6) By January 1, 2009, each participating pilot school and a local outreach organization, where available, shall work to put in place an agreement to share student information in accordance with state and federal confidentiality requirements. Once an agreement is in place, the school shall share the list described in subsection (4) of this section with the outreach organization.

(7) The outreach organization shall use the information on the list to contact families and assist them to enroll students on a medical program, in accordance with chapter 74.09 RCW.

(8) By July 1, 2009, pilot schools shall report to the superintendent of public instruction:

(a) The number of students identified without health insurance under subsection (2) of this section; and

(b) Whether an agreement as described under subsection (6) of this section is in place.

(9) By December 1, 2009, the department and the superintendent shall submit a joint report to the legislature that provides:

(a) Summary information on the number of students identified without insurance;

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(b) The number of schools with agreements with outreach organizations and the number without such agreements;

(c) The cost of collecting and reporting data;

(d) The impact of such outreach efforts they can quantify; and

(e) Any recommendations for changes that would improve the efficiency or effectiveness of outreach efforts described in this section.

(10) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Department" means the department of social and health services.

(b) "Superintendent" means the superintendent of public instruction.

(c) "Outreach organization" means a nonprofit organization or a local government entity either contracting with the department pursuant to chapter 74.09 RCW, or otherwise qualified to provide outreach, education, and enrollment services to uninsured children.

NEW SECTION. Sec. 2. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, this act is null and void."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator McAuliffe moved that the Senate concur in the House amendment(s) to Second Engrossed Substitute Senate Bill No. 5100.

Senator McAuliffe spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator McAuliffe that the Senate concur in the House amendment(s) to Second Engrossed Substitute Senate Bill No. 5100.

The motion by Senator McAuliffe carried and the Senate concurred in the House amendment(s) to Second Engrossed Substitute Senate Bill No. 5100 by voice vote.

The President declared the question before the Senate to be the final passage of Second Engrossed Substitute Senate Bill No. 5100 as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Second Engrossed Substitute Senate Bill No. 5100, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 34; Nays, 11; Absent, 2; Excused, 2.

Voting yea: Senators Berkey, Brandland, Brown, Eide, Fairley, Franklin, Fraser, Hatfield, Haugen, Hobbs, Jacobsen, Kastama, Kauffman, Keiser, Kilmer, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Murray, Oemig, Prentice, Rasmussen, Regala, Roach, Rockefeller, Sheldon, Shin, Stevens, Tom, Weinstein and Zarelli - 34

Voting nay: Senators Carrell, Delvin, Hewitt, Holmquist, Honeyford, King, Morton, Parlette, Pflug, Schoesler and Swecker - 11

Absent: Senators Hargrove and Pridemore - 2

Excused: Senators Benton and Spanel - 2

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5100, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

March 5, 2008

MR. PRESIDENT:

The House has passed SUBSTITUTE SENATE BILL NO. 5104, with the following amendment: 5104-S AMH APP H5892.1

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that the six colleges that developed proposals for the applied baccalaureate degree pilot programs exhibited exemplary work preparing proposals. The proposals were consistent with the legislature's vision for expanding bachelor's degree access and with the principals and criteria developed by the college board. The legislature recognizes that the authorization for the pilots was limited in number and therefore not all the proposals were able to be approved. The legislature values the work that has been done and intends to provide authority for additional pilots so as not to lose the good work that has been done.

Sec. 2. RCW 28B.50.810 and 2005 c 258 s 6 are each amended to read as follows:

(1) By April 2006, the college board shall select four community or technical colleges to develop and offer programs of study leading to an applied baccalaureate degree. At least one of the four pilot programs chosen must lead to a baccalaureate of applied science degree which builds on an associate of applied science degree. The college board shall convene a task force that includes representatives of both the community and technical colleges to develop objective selection criteria.

(2) By February 2008, the college board shall select up to three colleges to develop and offer programs of study leading to an applied baccalaureate degree. At least one of the colleges selected must be a technical college. The college board shall use the objective selection criteria developed under subsections (1) and (3) of this section to make the selection.

(3) Colleges may submit an application to become a pilot college under this section. The college board shall review the applications and select the pilot colleges using objective criteria, including:

(a) The college demonstrates the capacity to make a long-term commitment of resources to build and sustain a high quality program;

(b) The college has or can readily engage faculty appropriately qualified to develop and deliver a high quality curriculum at the baccalaureate level;

(c) The college can demonstrate demand for the proposed program from a sufficient number of students within its service area to make the program cost-effective and feasible to operate;

(d) The college can demonstrate that employers demand the level of technical training proposed within the program, making it cost-effective for students to seek the degree; and

(e) The proposed program fills a gap in options available for students because it is not offered by a public four-year institution of higher education in the college's geographic area.

~~((3))~~ (4) A college selected as a pilot college under this section may develop the curriculum for and design and deliver courses leading to an applied baccalaureate degree. However, degree programs developed under this section are subject to approval by the college board under RCW 28B.50.090 and by the higher education coordinating board under RCW 28B.76.230 before a pilot college may enroll students in upper division courses. A pilot college approved under subsection (1) of this section may not enroll students in upper division courses before the fall academic quarter of 2006. A pilot college approved under subsection (2) of this section may not enroll

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students in upper division courses before the fall academic quarter of 2009.

NEW SECTION. Sec. 3. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, this act is null and void."

Correct the title.
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Shin moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5104.

Senator Shin spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Shin that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5104.

MOTION

On motion of Senator Regala, Senators Hargrove and Pridemore were excused.

The motion by Senator Shin carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5104 by voice vote.

The President declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5104 as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5104, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Benton, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Rasmussen, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, Weinstein and Zarelli - 47

Excused: Senators Pridemore and Spanel - 2

SUBSTITUTE SENATE BILL NO. 5104, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

February 29, 2008

MR. PRESIDENT:

The House has passed ENGROSSED SUBSTITUTE SENATE BILL NO. 5261, with the following amendment: 5261-S.E AMH ENGR H5489.E

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 48.18.110 and 2000 c 79 s 2 are each amended to read as follows:

(1) The commissioner shall disapprove any such form of policy, application, rider, or endorsement, or withdraw any previous approval thereof, only:

(a) If it is in any respect in violation of or does not comply with this code or any applicable order or regulation of the commissioner issued pursuant to the code; or

(b) If it does not comply with any controlling filing theretofore made and approved; or

(c) If it contains or incorporates by reference any inconsistent, ambiguous or misleading clauses, or exceptions and conditions which unreasonably or deceptively affect the risk purported to be assumed in the general coverage of the contract; or

(d) If it has any title, heading, or other indication of its provisions which is misleading; or

(e) If purchase of insurance thereunder is being solicited by deceptive advertising.

(2) In addition to the grounds for disapproval of any such form as provided in subsection (1) of this section, the commissioner may disapprove any form of disability insurance policy (~~(except an individual health benefit plan);~~) if the benefits provided therein are unreasonable in relation to the premium charged. Rates, or any modification of rates effective on or after July 1, 2008, for individual health benefit plans may not be used until sixty days after they are filed with the commissioner. If the commissioner does not disapprove a rate filing within sixty days after the insurer has filed the documents required in RCW 48.20.025(2) and any rules adopted pursuant thereto, the filing shall be deemed approved.

Sec. 2. RCW 48.44.020 and 2000 c 79 s 28 are each amended to read as follows:

(1) Any health care service contractor may enter into contracts with or for the benefit of persons or groups of persons which require prepayment for health care services by or for such persons in consideration of such health care service contractor providing one or more health care services to such persons and such activity shall not be subject to the laws relating to insurance if the health care services are rendered by the health care service contractor or by a participating provider.

(2) The commissioner may on examination, subject to the right of the health care service contractor to demand and receive a hearing under chapters 48.04 and 34.05 RCW, disapprove any individual or group contract form for any of the following grounds:

(a) If it contains or incorporates by reference any inconsistent, ambiguous or misleading clauses, or exceptions and conditions which unreasonably or deceptively affect the risk purported to be assumed in the general coverage of the contract; or

(b) If it has any title, heading, or other indication of its provisions which is misleading; or

(c) If purchase of health care services thereunder is being solicited by deceptive advertising; or

(d) If it contains unreasonable restrictions on the treatment of patients; or

(e) If it violates any provision of this chapter; or

(f) If it fails to conform to minimum provisions or standards required by regulation made by the commissioner pursuant to chapter 34.05 RCW; or

(g) If any contract for health care services with any state agency, division, subdivision, board, or commission or with any political subdivision, municipal corporation, or quasi-municipal corporation fails to comply with state law.

(3) In addition to the grounds listed in subsection (2) of this section, the commissioner may disapprove any ~~(group)~~ contract if the benefits provided therein are unreasonable in relation to the amount charged for the contract. Rates, or any modification of rates effective on or after July 1, 2008, for individual health benefit plans may not be used until sixty days after they are filed with the commissioner. If the commissioner does not disapprove a rate filing within sixty days after the

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health care service contractor has filed the documents required in RCW 48.44.017(2) and any rules adopted pursuant thereto, the filing shall be deemed approved.

(4)(a) Every contract between a health care service contractor and a participating provider of health care services shall be in writing and shall state that in the event the health care service contractor fails to pay for health care services as provided in the contract, the enrolled participant shall not be liable to the provider for sums owed by the health care service contractor. Every such contract shall provide that this requirement shall survive termination of the contract.

(b) No participating provider, agent, trustee, or assignee may maintain any action against an enrolled participant to collect sums owed by the health care service contractor.

Sec. 3. RCW 48.46.060 and 2000 c 79 s 31 are each amended to read as follows:

(1) Any health maintenance organization may enter into agreements with or for the benefit of persons or groups of persons, which require prepayment for health care services by or for such persons in consideration of the health maintenance organization providing health care services to such persons. Such activity is not subject to the laws relating to insurance if the health care services are rendered directly by the health maintenance organization or by any provider which has a contract or other arrangement with the health maintenance organization to render health services to enrolled participants.

(2) All forms of health maintenance agreements issued by the organization to enrolled participants or other marketing documents purporting to describe the organization's comprehensive health care services shall comply with such minimum standards as the commissioner deems reasonable and necessary in order to carry out the purposes and provisions of this chapter, and which fully inform enrolled participants of the health care services to which they are entitled, including any limitations or exclusions thereof, and such other rights, responsibilities and duties required of the contracting health maintenance organization.

(3) Subject to the right of the health maintenance organization to demand and receive a hearing under chapters 48.04 and 34.05 RCW, the commissioner may disapprove an individual or group agreement form for any of the following grounds:

(a) If it contains or incorporates by reference any inconsistent, ambiguous, or misleading clauses, or exceptions or conditions which unreasonably or deceptively affect the risk purported to be assumed in the general coverage of the agreement;

(b) If it has any title, heading, or other indication which is misleading;

(c) If purchase of health care services thereunder is being solicited by deceptive advertising;

(d) If it contains unreasonable restrictions on the treatment of patients;

(e) If it is in any respect in violation of this chapter or if it fails to conform to minimum provisions or standards required by the commissioner by rule under chapter 34.05 RCW; or

(f) If any agreement for health care services with any state agency, division, subdivision, board, or commission or with any political subdivision, municipal corporation, or quasi-municipal corporation fails to comply with state law.

(4) In addition to the grounds listed in subsection (2) of this section, the commissioner may disapprove any ~~((group))~~ agreement if the benefits provided therein are unreasonable in relation to the amount charged for the agreement. Rates, or any modification of rates effective on or after July 1, 2008, for individual health benefit plans may not be used until sixty days after they are filed with the commissioner. If the commissioner does not disapprove a rate filing within sixty days after the health maintenance organization has filed the documents required in RCW 48.46.062(2) and any rules adopted pursuant thereto, the filing shall be deemed approved.

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(5) No health maintenance organization authorized under this chapter shall cancel or fail to renew the enrollment on any basis of an enrolled participant or refuse to transfer an enrolled participant from a group to an individual basis for reasons relating solely to age, sex, race, or health status. Nothing contained herein shall prevent cancellation of an agreement with enrolled participants (a) who violate any published policies of the organization which have been approved by the commissioner, or (b) who are entitled to become eligible for medicare benefits and fail to enroll for a medicare supplement plan offered by the health maintenance organization and approved by the commissioner, or (c) for failure of such enrolled participant to pay the approved charge, including cost-sharing, required under such contract, or (d) for a material breach of the health maintenance agreement.

(6) No agreement form or amendment to an approved agreement form shall be used unless it is first filed with the commissioner.

Sec. 4. RCW 48.20.025 and 2003 c 248 s 8 are each amended to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Claims" means the cost to the insurer of health care services, as defined in RCW 48.43.005, provided to a policyholder or paid to or on behalf of the policyholder in accordance with the terms of a health benefit plan, as defined in RCW 48.43.005. This includes capitation payments or other similar payments made to providers for the purpose of paying for health care services for a policyholder.

(b) "Claims reserves" means: (i) The liability for claims which have been reported but not paid; (ii) the liability for claims which have not been reported but which may reasonably be expected; (iii) active life reserves; and (iv) additional claims reserves whether for a specific liability purpose or not.

(c) "Declination rate" for an insurer means the percentage of the total number of applicants for individual health benefit plans received by that insurer in the aggregate in the applicable year which are not accepted for enrollment by that insurer based on the results of the standard health questionnaire administered pursuant to RCW 48.43.018(2)(a).

(d) "Earned premiums" means premiums, as defined in RCW 48.43.005, plus any rate credits or recoupments less any refunds, for the applicable period, whether received before, during, or after the applicable period.

~~((d))~~ (e) "Incurred claims expense" means claims paid during the applicable period plus any increase, or less any decrease, in the claims reserves.

~~((e))~~ (f) "Loss ratio" means incurred claims expense as a percentage of earned premiums.

~~((f))~~ (g) "Reserves" means: (i) Active life reserves; and (ii) additional reserves whether for a specific liability purpose or not.

~~(2) ((An insurer shall file, for informational purposes only, a notice of its schedule of rates for its individual health benefit plans with the commissioner prior to use.~~

~~(3)) An insurer ((shall)) must file ((with the notice required under subsection (2) of this section)) supporting documentation of its method of determining the rates charged((The commissioner may request only)) for its individual health benefit plans. At a minimum, the insurer must provide the following supporting documentation:~~

(a) A description of the insurer's rate-making methodology;

(b) An actuarially determined estimate of incurred claims which includes the experience data, assumptions, and justifications of the insurer's projection;

(c) The percentage of premium attributable in aggregate for nonclaims expenses used to determine the adjusted community rates charged; and

(d) A certification by a member of the American academy of actuaries, or other person approved by the commissioner, that the adjusted community rate charged can be reasonably expected

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to result in a loss ratio that meets or exceeds the loss ratio standard ~~((established in subsection (7) of this section)) of seventy-four percent, minus the premium tax rate applicable to the insurer's individual health benefit plans under RCW 48.14.020.~~

~~((4)) The commissioner may not disapprove or otherwise impede the implementation of the filed rates.~~

~~(5)) (3) By the last day of May each year any insurer issuing or renewing individual health benefit plans in this state during the preceding calendar year shall file for review by the commissioner supporting documentation of its actual loss ratio and its actual declination rate for its individual health benefit plans offered or renewed in the state in aggregate for the preceding calendar year. The filing shall include aggregate earned premiums, aggregate incurred claims, and a certification by a member of the American academy of actuaries, or other person approved by the commissioner, that the actual loss ratio has been calculated in accordance with accepted actuarial principles.~~

~~(a) At the expiration of a thirty-day period beginning with the date the filing is received by the commissioner, the filing shall be deemed approved unless prior thereto the commissioner contests the calculation of the actual loss ratio.~~

~~(b) If the commissioner contests the calculation of the actual loss ratio, the commissioner shall state in writing the grounds for contesting the calculation to the insurer.~~

~~(c) Any dispute regarding the calculation of the actual loss ratio shall, upon written demand of either the commissioner or the insurer, be submitted to hearing under chapters 48.04 and 34.05 RCW.~~

~~((6)) (4) If the actual loss ratio for the preceding calendar year is less than the loss ratio established in subsection ((7)) (5) of this section, a remittance is due and the following shall apply:~~

~~(a) The insurer shall calculate a percentage of premium to be remitted to the Washington state health insurance pool by subtracting the actual loss ratio for the preceding year from the loss ratio established in subsection ((7)) (5) of this section.~~

~~(b) The remittance to the Washington state health insurance pool is the percentage calculated in (a) of this subsection, multiplied by the premium earned from each enrollee in the previous calendar year. Interest shall be added to the remittance due at a five percent annual rate calculated from the end of the calendar year for which the remittance is due to the date the remittance is made.~~

~~(c) All remittances shall be aggregated and such amounts shall be remitted to the Washington state high risk pool to be used as directed by the pool board of directors.~~

~~(d) Any remittance required to be issued under this section shall be issued within thirty days after the actual loss ratio is deemed approved under subsection ((5)) (3)(a) of this section or the determination by an administrative law judge under subsection ((5)) (3)(c) of this section.~~

~~((7)) (5) The loss ratio applicable to this section shall be ((seventy-four percent)) the percentage set forth in the following schedule that correlates to the insurer's actual declination rate in the preceding year, minus the premium tax rate applicable to the insurer's individual health benefit plans under RCW 48.14.020.~~

<u>Actual Declination Rate</u>	<u>Loss Ratio</u>
<u>Under Six Percent (6%)</u>	<u>Seventy-Four Percent (74%)</u>
<u>Six Percent (6%) or more (but less than Seven Percent)</u>	<u>Seventy-Five Percent (75%)</u>
<u>Seven Percent (7%) or more (but less than Eight Percent)</u>	<u>Seventy-Six Percent (76%)</u>
<u>Eight Percent (8%) or more</u>	<u>Seventy-Seven Percent (77%)</u>

Sec. 5. RCW 48.44.017 and 2001 c 196 s 11 are each amended to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Claims" means the cost to the health care service contractor of health care services, as defined in RCW 48.43.005, provided to a contract holder or paid to or on behalf of a contract holder in accordance with the terms of a health benefit plan, as defined in RCW 48.43.005. This includes capitation payments or other similar payments made to providers for the purpose of paying for health care services for an enrollee.

(b) "Claims reserves" means: (i) The liability for claims which have been reported but not paid; (ii) the liability for claims which have not been reported but which may reasonably be expected; (iii) active life reserves; and (iv) additional claims reserves whether for a specific liability purpose or not.

(c) "Declination rate" for a health care service contractor means the percentage of the total number of applicants for individual health benefit plans received by that health care service contractor in the aggregate in the applicable year which are not accepted for enrollment by that health care service contractor based on the results of the standard health questionnaire administered pursuant to RCW 48.43.018(2)(a).

(d) "Earned premiums" means premiums, as defined in RCW 48.43.005, plus any rate credits or recoupments less any refunds, for the applicable period, whether received before, during, or after the applicable period.

~~((8)) (e) "Incurred claims expense" means claims paid during the applicable period plus any increase, or less any decrease, in the claims reserves.~~

~~((9)) (f) "Loss ratio" means incurred claims expense as a percentage of earned premiums.~~

~~((10)) (g) "Reserves" means: (i) Active life reserves; and (ii) additional reserves whether for a specific liability purpose or not.~~

~~(2) ((A health care service contractor shall file, for informational purposes only, a notice of its schedule of rates for its individual contracts with the commissioner prior to use.~~

~~(3)) A health care service contractor ((shall)) must file ((with the notice required under subsection (2) of this section)) supporting documentation of its method of determining the rates charged~~((The commissioner may request only)) for its individual contracts. At a minimum, the health care service contractor must provide the following supporting documentation:~~~~

(a) A description of the health care service contractor's rate-making methodology;

(b) An actuarially determined estimate of incurred claims which includes the experience data, assumptions, and justifications of the health care service contractor's projection;

(c) The percentage of premium attributable in aggregate for nonclaims expenses used to determine the adjusted community rates charged; and

(d) A certification by a member of the American academy of actuaries, or other person approved by the commissioner, that the adjusted community rate charged can be reasonably expected to result in a loss ratio that meets or exceeds the loss ratio standard ~~((established in subsection (7) of this section)) of seventy-four percent, minus the premium tax rate applicable to the carrier's individual health benefit plans under RCW 48.14.020.~~

~~((4)) The commissioner may not disapprove or otherwise impede the implementation of the filed rates.~~

~~(5)) (3) By the last day of May each year any health care service contractor issuing or renewing individual health benefit plans in this state during the preceding calendar year shall file for review by the commissioner supporting documentation of its actual loss ratio and its actual declination rate for its individual health benefit plans offered or renewed in this state in aggregate for the preceding calendar year. The filing shall include aggregate earned premiums, aggregate incurred claims, and a~~

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certification by a member of the American academy of actuaries, or other person approved by the commissioner, that the actual loss ratio has been calculated in accordance with accepted actuarial principles.

(a) At the expiration of a thirty-day period beginning with the date the filing is received by the commissioner, the filing shall be deemed approved unless prior thereto the commissioner contests the calculation of the actual loss ratio.

(b) If the commissioner contests the calculation of the actual loss ratio, the commissioner shall state in writing the grounds for contesting the calculation to the health care service contractor.

(c) Any dispute regarding the calculation of the actual loss ratio shall upon written demand of either the commissioner or the health care service contractor be submitted to hearing under chapters 48.04 and 34.05 RCW.

~~((6))~~ (4) If the actual loss ratio for the preceding calendar year is less than the loss ratio standard established in subsection ~~((7))~~ (5) of this section, a remittance is due and the following shall apply:

(a) The health care service contractor shall calculate a percentage of premium to be remitted to the Washington state health insurance pool by subtracting the actual loss ratio for the preceding year from the loss ratio established in subsection ~~((7))~~ (5) of this section.

(b) The remittance to the Washington state health insurance pool is the percentage calculated in (a) of this subsection, multiplied by the premium earned from each enrollee in the previous calendar year. Interest shall be added to the remittance due at a five percent annual rate calculated from the end of the calendar year for which the remittance is due to the date the remittance is made.

(c) All remittances shall be aggregated and such amounts shall be remitted to the Washington state high risk pool to be used as directed by the pool board of directors.

(d) Any remittance required to be issued under this section shall be issued within thirty days after the actual loss ratio is deemed approved under subsection ~~((5))~~ (3)(a) of this section or the determination by an administrative law judge under subsection ~~((5))~~ (3)(c) of this section.

~~((7))~~ (5) The loss ratio applicable to this section shall be ~~(seventy-four percent)~~ the percentage set forth in the following schedule that correlates to the health care service contractor's actual declination rate in the preceding year, minus the premium tax rate applicable to the health care service contractor's individual health benefit plans under RCW 48.14.0201.

<u>Actual Declination Rate</u>	<u>Loss Ratio</u>
<u>Under Six Percent (6%)</u>	<u>Seventy-Four Percent (74%)</u>
<u>Six Percent (6%) or more (but less than Seven Percent)</u>	<u>Seventy-Five Percent (75%)</u>
<u>Seven Percent (7%) or more (but less than Eight Percent)</u>	<u>Seventy-Six Percent (76%)</u>
<u>Eight Percent (8%) or more</u>	<u>Seventy-Seven Percent (77%)</u>

Sec. 6. RCW 48.46.062 and 2001 c 196 s 12 are each amended to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Claims" means the cost to the health maintenance organization of health care services, as defined in RCW 48.43.005, provided to an enrollee or paid to or on behalf of the enrollee in accordance with the terms of a health benefit plan, as defined in RCW 48.43.005. This includes capitation payments or other similar payments made to providers for the purpose of paying for health care services for an enrollee.

(b) "Claims reserves" means: (i) The liability for claims which have been reported but not paid; (ii) the liability for claims which have not been reported but which may reasonably be expected; (iii) active life reserves; and (iv) additional claims reserves whether for a specific liability purpose or not.

(c) "Declination rate" for a health maintenance organization means the percentage of the total number of applicants for individual health benefit plans received by that health maintenance organization in the aggregate in the applicable year which are not accepted for enrollment by that health maintenance organization based on the results of the standard health questionnaire administered pursuant to RCW 48.43.018(2)(a).

(d) "Earned premiums" means premiums, as defined in RCW 48.43.005, plus any rate credits or recoupments less any refunds, for the applicable period, whether received before, during, or after the applicable period.

~~((4))~~ (c) "Incurred claims expense" means claims paid during the applicable period plus any increase, or less any decrease, in the claims reserves.

~~((5))~~ (f) "Loss ratio" means incurred claims expense as a percentage of earned premiums.

~~((6))~~ (g) "Reserves" means: (i) Active life reserves; and (ii) additional reserves whether for a specific liability purpose or not.

(2) ~~(A health maintenance organization shall file, for informational purposes only, a notice of its schedule of rates for its individual agreements with the commissioner prior to use.~~

~~(3))~~ A health maintenance organization ~~(shall)~~ must file ~~(with the notice required under subsection (2) of this section))~~ supporting documentation of its method of determining the rates charged ~~(The commissioner may request only)~~ for its individual agreements. At a minimum, the health maintenance organization must provide the following supporting documentation:

(a) A description of the health maintenance organization's rate-making methodology;

(b) An actuarially determined estimate of incurred claims which includes the experience data, assumptions, and justifications of the health maintenance organization's projection;

(c) The percentage of premium attributable in aggregate for nonclaims expenses used to determine the adjusted community rates charged; and

(d) A certification by a member of the American academy of actuaries, or other person approved by the commissioner, that the adjusted community rate charged can be reasonably expected to result in a loss ratio that meets or exceeds the loss ratio standard ~~(established in subsection (7) of this section))~~ of seventy-four percent, minus the premium tax rate applicable to the carrier's individual health benefit plans under RCW 48.14.0201.

~~((4))~~ The commissioner may not disapprove or otherwise impede the implementation of the filed rates.

~~(5))~~ (3) By the last day of May each year any health maintenance organization issuing or renewing individual health benefit plans in this state during the preceding calendar year shall file for review by the commissioner supporting documentation of its actual loss ratio and its actual declination rate for its individual health benefit plans offered or renewed in the state in aggregate for the preceding calendar year. The filing shall include aggregate earned premiums, aggregate incurred claims, and a certification by a member of the American academy of actuaries, or other person approved by the commissioner, that the actual loss ratio has been calculated in accordance with accepted actuarial principles.

(a) At the expiration of a thirty-day period beginning with the date the filing is received by the commissioner, the filing shall be deemed approved unless prior thereto the commissioner contests the calculation of the actual loss ratio.

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(b) If the commissioner contests the calculation of the actual loss ratio, the commissioner shall state in writing the grounds for contesting the calculation to the health maintenance organization.

(c) Any dispute regarding the calculation of the actual loss ratio shall, upon written demand of either the commissioner or the health maintenance organization, be submitted to hearing under chapters 48.04 and 34.05 RCW.

~~((6))~~ (4) If the actual loss ratio for the preceding calendar year is less than the loss ratio standard established in subsection ~~((7))~~ (5) of this section, a remittance is due and the following shall apply:

(a) The health maintenance organization shall calculate a percentage of premium to be remitted to the Washington state health insurance pool by subtracting the actual loss ratio for the preceding year from the loss ratio established in subsection ~~((7))~~ (5) of this section.

(b) The remittance to the Washington state health insurance pool is the percentage calculated in (a) of this subsection, multiplied by the premium earned from each enrollee in the previous calendar year. Interest shall be added to the remittance due at a five percent annual rate calculated from the end of the calendar year for which the remittance is due to the date the remittance is made.

(c) All remittances shall be aggregated and such amounts shall be remitted to the Washington state high risk pool to be used as directed by the pool board of directors.

(d) Any remittance required to be issued under this section shall be issued within thirty days after the actual loss ratio is deemed approved under subsection ~~((5))~~ (3)(a) of this section or the determination by an administrative law judge under subsection ~~((5))~~ (3)(c) of this section.

~~((7))~~ (5) The loss ratio applicable to this section shall be ~~(seventy-four percent)~~ the percentage set forth in the following schedule that correlates to the health maintenance organization's actual declination rate in the preceding year, minus the premium tax rate applicable to the health maintenance organization's individual health benefit plans under RCW 48.14.0201.

<u>Actual Declination Rate</u>	<u>Loss Ratio</u>
<u>Under Six Percent (6%)</u>	<u>Seventy-Four Percent (74%)</u>
<u>Six Percent (6%) or more (but less than Seven Percent)</u>	<u>Seventy-Five Percent (75%)</u>
<u>Seven Percent (7%) or more (but less than Eight Percent)</u>	<u>Seventy-Six Percent (76%)</u>
<u>Eight Percent (8%) or more</u>	<u>Seventy-Seven Percent (77%)</u>

NEW SECTION. Sec. 7. The insurance commissioner's authority to review and disapprove rates for individual products, as established in sections 1 through 6 of this act, expires January 1, 2012.

NEW SECTION. Sec. 8. (1) The office of the insurance commissioner shall explore the feasibility of entering into a multistate health insurance plan compact for the purpose of providing affordable health insurance coverage for persons purchasing individual health coverage. The office of the insurance commissioner shall propose model state legislation that each participating state would enact prior to entering into the multistate health insurance plan compact. If federal legislation is necessary to permit the operation of the multistate health insurance plan, the office of the insurance commissioner shall identify needed changes in federal statutes and rules.

(2) The office of the insurance commissioner shall report the findings and recommendations of the feasibility study to the appropriate committees of the senate and house of representatives by December 1, 2008."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Keiser moved that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5261.

Senator Keiser spoke in favor of the motion.

Senator Pflug spoke against the motion.

The President declared the question before the Senate to be the motion by Senator Keiser that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5261.

The motion by Senator Keiser carried and the Senate concurred in the House amendment(s) to Engrossed Substitute Senate Bill No. 5261 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5261 as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5261, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 29; Nays, 17; Absent, 1; Excused, 2.

Voting yea: Senators Berkey, Brown, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hobbs, Jacobsen, Kastama, Kauffman, Keiser, Kilmer, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, Murray, Oemig, Prentice, Rasmussen, Regala, Rockefeller, Shin, Tom and Weinstein - 29

Voting nay: Senators Benton, Brandland, Carrell, Delvin, Hewitt, Holmquist, Honeyford, King, Morton, Parlette, Pflug, Roach, Schoesler, Sheldon, Stevens, Swecker and Zarelli - 17

Absent: Senator McDermott - 1

Excused: Senators Pridemore and Spanel - 2

ENGROSSED SUBSTITUTE SENATE BILL NO. 5261, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

March 6, 2008

MR. PRESIDENT:

The House has passed SECOND SUBSTITUTE SENATE BILL NO. 5642, with the following amendment: 5642-S2 AMH APPG H5918.1

On page 12, after line 19, insert the following:

"NEW SECTION. Sec. 15. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, this act is null and void."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Kohl-Welles moved that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5642.

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Senator Kohl-Welles spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Kohl-Welles that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5642.

The motion by Senator Kohl-Welles carried and the Senate concurred in the House amendment(s) to Second Substitute Senate Bill No. 5642 by voice vote.

The President declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 5642 as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 5642, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 46; Nays, 1; Absent, 0; Excused, 2.

Voting yea: Senators Benton, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Honeyford, Jacobsen, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Rasmussen, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, Weinstein and Zarelli - 46

Voting nay: Senator Holmquist - 1

Excused: Senators Pridemore and Spanel - 2

SECOND SUBSTITUTE SENATE BILL NO. 5642, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

March 6, 2008

MR. PRESIDENT:

The House has passed ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6111, with the following amendment: 6111--S2.E AMH MCCO H6002.2

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. (1) The legislature finds that the global energy economy is undergoing significant changes creating a situation where energy prices are increasingly more expensive and the sources of energy increasingly less secure. Additionally, the legislature finds that there is growing concern about the consequences associated with greenhouse gas emissions from conventional sources of energy and the need for action to address the threats of climate change. The legislature finds ocean and tidal resources, as well as other forms of hydrokinetic energy, will play an important role in providing clean, carbon-free, reliable, and affordable energy to the citizens of Washington. The legislature finds that the development of wave and tidal energy technologies in Washington will create more highly valued green jobs in the state.

(2) It is the intent of the legislature to facilitate the development of clean, carbon-free, reliable, and affordable power sources for the energy needs of Washington's growing economy. Also, it is the intent of the legislature to help catalyze the emergence of a new water-power industry that is able to export technology and expertise to the rest of the country and the world. In addition, the legislature finds that hydrokinetic energy technologies are in their infancy and care must be taken to properly design and site these facilities in order to avoid impacts on the marine environment. To achieve these goals, the

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legislature intends to establish a public-private organization that will support a sustainable approach to hydrokinetic energy development aimed at economic development, environmental protection, and community stability.

(3)(a) It is the intent of the legislature for state agencies to explore a streamlined approach to environmental permit decision making for wave and tidal power projects.

(b) To optimize the development and siting process for wave and tidal power systems and to provide environmental protection, the legislature finds that state regulatory and natural resource agencies, public and private sector interests, tribes, local and regional governments, and applicable federal agencies must work cooperatively to establish common goals, minimize project siting delays, develop consistency in the application of environmental standards, and eliminate duplicative processes through assigned responsibilities of selected permit drafting and compliance activities between state agencies.

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

(1) "Center" means the Washington state center for excellence in hydrokinetic energy.

(2) "Council" means the energy facility site evaluation council.

(3) "Department" means the department of community, trade, and economic development.

(4) "Hydrokinetic energy" means hydroelectric generation from ocean waves, tides, and currents, from free-flowing rivers and streams, and from water discharges.

(5) "Water discharges" means water discharges from agricultural, industrial, and commercial operations, wastewater treatment plants, or residential properties.

NEW SECTION. Sec. 3. The department and the council shall convene and cochair a work group to develop the Washington state center for excellence in hydrokinetic energy and to explore mechanisms to streamline and make more efficient current permitting processes for wave and tidal power projects.

NEW SECTION. Sec. 4. (1) The work group created under section 3 of this act consists of, but is not limited to, representatives from:

- (a) The department of natural resources;
- (b) The department of ecology;
- (c) The department of fish and wildlife;
- (d) The utilities and transportation commission;
- (e) A wave energy company or tidal energy company, or both;
- (f) A wave energy industry association or tidal energy industry association, or both;
- (g) Either a state or private university researching wave energy or a state or private university researching tidal energy, or both;
- (h) The Northwest Indian fisheries commission;
- (i) An electrical utility;
- (j) A local government;
- (k) A commercial fishing association;
- (l) A conservation group with expertise in energy-related issues;
- (m) A conservation group with expertise in marine ecology; and
- (n) A marine recreation group.

(2) State agencies under subsection (1) of this section that are members of the council under RCW 80.50.030 shall provide their existing designee members to serve on the work group in carrying out the responsibilities of this act.

NEW SECTION. Sec. 5. (1) In developing the center, the work group created in section 3 of this act shall ensure that the center is a public-private entity and that the center supports a sustainable approach to hydrokinetic energy development aimed at economic development, environmental protection, and community stability.

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(2) The work group created in section 3 of this act shall make recommendations to the legislature to include, but not be limited to, the following:

(a) How the center will conduct and support research and demonstrations of wave and tidal energy technologies in order to facilitate the deployment and commercialization of these technologies in Washington;

(b) How the center will establish and operate wave and tidal energy test ranges that allow developers to demonstrate their wave and tidal energy technologies;

(c) How the center will maintain processes to assist developers in permitting their wave and tidal energy technologies;

(d) How the center will collect, manage, and disseminate data necessary to assess statewide wave and tidal resources;

(e) How the center will promote Washington as the optimal location for the development of and deployment of wave and tidal energy technologies;

(f) What the public-private governance structure of the center will be, considering the life sciences discovery fund as a model;

(g) How the center will coordinate with other governmental wave and tidal institutions and initiatives in the Pacific Northwest economic region;

(h) How the center will be funded through either state, federal, or private sources of funding, or a combination of these funding sources;

(i) How the center will assist the state and various other entities in reducing greenhouse gas emissions;

(j) How the center will assist other forms of hydrokinetic energy technologies in addition to wave and tidal energy;

(k) How the center will identify and develop protocols to manage issues involving competing uses of water space; and

(l) What types of review and data are necessary to ensure that hydrokinetic energy will be designed and sited so as to avoid negative impacts on marine ecosystems.

NEW SECTION. Sec. 6. The work group created in section 3 of this act shall provide a report to the appropriate committees of the legislature containing its recommendations under section 5 of this act, as well as draft legislation implementing its recommendations, by December 1, 2008.

NEW SECTION. Sec. 7. (1)(a) The work group created in section 3 of this act shall explore mechanisms to streamline and make more efficient permitting processes for wave and tidal power projects. The work group may recommend development of a permit process which allows for concurrent public review, consolidated appeals, and other mechanisms which result in permit process efficiency. In making these recommendations, the work group will ensure that there is adequate environmental review of the full range of potential impacts from this technology and that meaningful public involvement opportunities are preserved. The work group shall also identify and make recommendations of any potential barriers to the streamlining.

(b) The work group shall consider and make recommendations regarding research relating to the marine environment. In making the recommendations, the work group shall consider how future marine research would add value to the existing understanding of the overall marine environment and provide guidance on future research with the goal of eliminating redundant research activities.

(2) The work group created in section 3 of this act, in developing recommendations for permit streamlining, shall consider additional issues that may be associated with permitting a wave or tidal energy project, which include, but are not limited to:

(a) Disturbance or destruction of marine life, including acoustic impacts;

(b) Toxic releases from leaks or accidental spills of liquids used in those systems with working hydraulic fluids;

(c) Possible threat to navigation from collisions;

(d) Interference of mooring and anchorage lines with commercial and sport fishing;

(e) Tidal power plants that dam estuaries that can impede sea life migration and build up silt behind such facilities, impacting local ecosystems; and

(f) Potential impacts of tidal power on tides, currents, and flushing.

(3) By June 30, 2009, the work group created in section 3 of this act shall develop a work plan that details critical issues that need to be resolved to develop efficient, streamlined permitting processes for wave and tidal power projects. The work group shall provide the work plan to the legislature for review every six months. If the work group determines that additional time is required to develop recommendations for the permitting process for wave power projects, the work group shall report to the legislature on the need for additional time and update the work plan accordingly.

(4) By June 30, 2010, the work group created in section 3 of this act shall provide a final report to the legislature on its findings and recommendations.

NEW SECTION. Sec. 8. A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of machinery and equipment used directly in generating tidal or wave energy, or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, but only if the purchaser develops with such machinery, equipment, and labor a facility capable of generating at least two hundred kilowatts of electricity and provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller shall retain a copy of the certificate for the seller's files.

(2) For purposes of this section and section 9 of this act:

(a) "Machinery and equipment" has the same meaning as provided in RCW 82.08.02567.

(b) Machinery and equipment is "used directly" in generating electricity with tidal or wave energy if it provides any part of the process that captures the energy of the tidal or wave energy.

(3) This section expires June 30, 2018.

NEW SECTION. Sec. 9. A new section is added to chapter 82.12 RCW to read as follows:

(1) The provisions of this chapter do not apply with respect to machinery and equipment used directly in generating at least two hundred kilowatts of electricity using tidal or wave energy as the principal source of power, or to the use of labor and services rendered in respect to installing such machinery and equipment.

(2) The definitions in section 8 of this act apply to this section.

(3) This section expires June 30, 2018.

NEW SECTION. Sec. 10. Sections 1 through 7 of this act expire January 1, 2011.

NEW SECTION. Sec. 11. If specific funding for the purposes of sections 1 through 7 of this act, referencing sections 1 through 7 of this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, sections 1 through 7 of this act are null and void."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Hobbs moved that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 6111.

Senator Hobbs spoke in favor of the motion.

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The President declared the question before the Senate to be the motion by Senator Hobbs that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 6111.

MOTION

On motion of Senator Regala, Senator Brown was excused.

The motion by Senator Hobbs carried and the Senate concurred in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 6111 by voice vote.

The President declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 6111 as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6111, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 3.

Voting yea: Senators Benton, Berkey, Brandland, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Rasmussen, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, Weinstein and Zarelli - 46

Excused: Senators Brown, Pridemore and Spanel - 3

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6111, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

March 6, 2008

MR. PRESIDENT:

The House has passed SENATE BILL NO. 6187, with the following amendment:

6187 AMH APPE H5864.1

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. The legislature finds that there is a critical shortage of food animal veterinarians particularly in rural areas of the state. The legislature finds that among the factors contributing to this shortage is the need to repay student loans that are taken out to pay for an extensive and high-cost education. To pay these student loans, licensed graduates currently find it necessary to take higher paying positions that provide service to companion and small animals.

The legislature finds that the livestock industry provides a critical component of the food supply. Providing adequate animal health and disease diagnostic services is of high importance not only to protect animal health, but also for the protection of our food supply, the protection of public health from potential effects of contagious diseases, and to provide an essential disease detection and response capability.

The legislature intends to increase the supply of food animal veterinarians by providing incentives to graduates of Washington State University college of veterinary medicine to

focus on food animal health services to address this critical shortage.

NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise. (1) "College" means the Washington State University college of veterinary medicine.

(2) "Conditional scholarship" means a loan that is forgiven in whole or in part if the recipient renders service as a food animal veterinarian in this state.

(3) "Eligible student" means a student who is registered for at least six credit hours or the equivalent, is making satisfactory academic progress as defined by the college, has declared veterinary medicine for his or her major, and has a declared intention to practice veterinary medicine with an emphasis in food animal medicine in the state of Washington.

(4) "Food animal" means any species commonly recognized as livestock including, but not limited to, poultry, cattle, swine, and sheep.

(5) "Food animal veterinarian" means a veterinarian licensed and registered under chapter 18.92 RCW and engaged in general and food animal practice as a primary specialty, who has at least fifty percent of his or her practice time devoted to large production animal veterinary practice.

(6) "Forgiven" or "to forgive" or "forgiveness" means to practice veterinary medicine with an emphasis in food animal medicine in the state of Washington in lieu of monetary repayment.

(7) "Participant" means an eligible student who has received a conditional scholarship under this chapter.

(8) "Satisfied" means paid-in-full.

(9) "University" means Washington State University.

NEW SECTION. Sec. 3. The food animal veterinarian conditional scholarship program is established. The program shall be administered by the university. In administering the program, the university has the following powers and duties:

(1) To select, in consultation with the college, up to two students each year to receive conditional scholarships;

(2) To adopt necessary rules and guidelines;

(3) To publicize the program;

(4) To collect and manage repayments from students who do not meet their obligations under this chapter; and

(5) To solicit and accept grants and donations from public and private sources for the program.

NEW SECTION. Sec. 4. (1) The university shall select participants based on an application process conducted by the university.

(2) The university shall establish a selection committee for screening and selecting recipients of the conditional scholarships. The selection committee shall include at least two representatives from the college, at least one of whom is a faculty member teaching in food animal veterinary medicine, and at least one representative from the beef, dairy, or sheep industry.

(3) The selection criteria shall emphasize factors demonstrating a sustained interest in food animals and serving the needs of Washington's agricultural communities. The criteria shall also take into account the need for food animal veterinarians in diverse areas of the state and allocate funds in a manner designed to represent a cross-section of geographic locations.

NEW SECTION. Sec. 5. To remain an eligible student and receive continuing disbursements under the program, a participant must be considered by the college to be making satisfactory academic progress.

NEW SECTION. Sec. 6. The university may award conditional scholarships to eligible students from the funds appropriated to the university for this purpose, or from any private donations, or any other funds given to the university for this program. The amount of the conditional scholarship awarded an individual may not exceed the amount of resident tuition and fees at the college, as well as the cost of room, board,

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laboratory fees and supplies, and books, incurred by an eligible student and approved by a financial aid administrator at the university. Participants are eligible to receive conditional scholarships for a maximum of five years.

NEW SECTION. Sec. 7. (1) A participant in the conditional scholarship program incurs an obligation to repay the conditional scholarship, with interest, unless he or she is employed as a food animal veterinarian in Washington state for each year of scholarship received, under rules adopted by the university.

(2) The interest rate shall be determined annually by the university.

(3) The minimum payment shall be set by the university. The maximum period for repayment is ten years, with payments of principal and interest accruing quarterly commencing six months from the date the participant completes or discontinues the course of study, including any internship or residency in food animal medicine and surgery. Provisions for deferral of payment shall be determined by the university.

(4) The entire principal and interest of each payment shall be forgiven for each payment period in which the participant is employed as a food animal veterinarian in this state until the entire repayment obligation is satisfied. Should the participant cease to be employed as a food animal veterinarian in this state before the participant's repayment obligation is completed, payments on the unsatisfied portion of the principal and interest shall begin the next payment period and continue until the remainder of the participant's repayment obligation is satisfied.

(5) The university is responsible for collection of repayments made under this section and shall exercise due diligence in such collection, maintaining all necessary records to ensure that maximum repayments are made. Collection and servicing of repayments under this section shall be pursued using the full extent of the law, including wage garnishment if necessary. The university is responsible to forgive all or parts of such repayments under the criteria established in this section and shall maintain all necessary records of forgiven payments.

(6) Receipts from the payment of principal or interest or any other subsidies to which the university as administrator is entitled, that are paid by or on behalf of participants under this section, shall be deposited in the food animal veterinarian conditional scholarship account and shall be used to cover the costs of granting the conditional scholarships, maintaining necessary records, and making collections under subsection (5) of this section. The university shall maintain accurate records of these costs, and all receipts beyond those necessary to pay such costs shall be used to grant conditional scholarships to eligible students.

(7) The university shall adopt rules to define the terms of repayment, including applicable interest rates, fees, and deferments.

NEW SECTION. Sec. 8. (1) The food animal veterinarian conditional scholarship account is created in the custody of the state treasurer. No appropriation is required for expenditures of funds from the account. The account is not subject to allotment procedures under chapter 43.88 RCW except for moneys used for program administration.

(2) The university shall deposit into the account all moneys received for the program. The account shall be self-sustaining and consist of funds appropriated by the legislature for the food animal veterinarian conditional scholarship program, private contributions to the program, and receipts from participant repayments.

(3) Expenditures from the account may be used solely for conditional scholarships to participants in the program established by this chapter and costs associated with program administration by the university.

(4) Disbursements from the account may be made only on the authorization of the university.

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Sec. 9. RCW 43.79A.040 and 2007 c 523 s 5, 2007 c 357 s 21, and 2007 c 214 s 14 are each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury.

(2) All income received from investment of the treasurer's trust fund shall be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4)(a) Monthly, the state treasurer shall distribute the earnings credited to the investment income account to the state general fund except under (b) and (c) of this subsection.

(b) The following accounts and funds shall receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The Washington promise scholarship account, the college savings program account, the Washington advanced college tuition payment program account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the students with dependents grant account, the basic health plan self-insurance reserve account, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the Washington international exchange scholarship endowment fund, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family leave insurance account, the food animal veterinarian conditional scholarship account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the grain inspection revolving fund, the juvenile accountability incentive account, the law enforcement officers' and fire fighters' plan 2 expense fund, the local tourism promotion account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the sulfur dioxide abatement account, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account (earnings from the Washington horse racing commission operating account must be credited to the Washington horse racing commission class C purse fund account), the life sciences discovery fund, the Washington state heritage center account, and the reading achievement account. However, the earnings to be distributed shall first be reduced by the allocation to the state treasurer's service fund pursuant to RCW 43.08.190.

(c) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right of way revolving fund, the advanced environmental mitigation revolving account, the city and county advance right-of-way revolving fund, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated

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earnings without the specific affirmative directive of this section.

NEW SECTION. Sec. 10. Sections 1 through 8 of this act constitute a new chapter in Title 28B RCW.

NEW SECTION. Sec. 11. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, this act is null and void."

Correct the title.
and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Shin moved that the Senate concur in the House amendment(s) to Senate Bill No. 6187.

Senator Shin spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Shin that the Senate concur in the House amendment(s) to Senate Bill No. 6187.

The motion by Senator Shin carried and the Senate concurred in the House amendment(s) to Senate Bill No. 6187 by voice vote.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6187, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6187, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 46; Nays, 0; Absent, 0; Excused, 3.

Voting yea: Senators Benton, Berkey, Brandland, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Rasmussen, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, Weinstein and Zarelli - 46

Excused: Senators Brown, Pridemore and Spanel - 3

SENATE BILL NO. 6187, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

March 4, 2008

MR. PRESIDENT:

The House has passed SENATE BILL NO. 6215, with the following amendment: 6215 AMH JUDI H5682.1

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 64.34 RCW under the subchapter heading "Article 3" to read as follows:

(1) An association is encouraged to establish a reserve account to fund major maintenance, repair, and replacement of common elements, including limited common elements that will require major maintenance, repair, or replacement within thirty years. A reserve account shall be established in the name of the

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association. The board of directors is responsible for administering the reserve account.

(2) Unless doing so would impose an unreasonable hardship, an association shall prepare and update a reserve study, in accordance with the association's governing documents and RCW 64.34.224(1). The initial reserve study must be based upon a visual site inspection conducted by a reserve study professional.

(3) Unless doing so would impose an unreasonable hardship, the association shall update the reserve study annually. At least every three years, an updated reserve study must be prepared and based upon a visual site inspection conducted by a reserve study professional.

(4) This section and sections 2 through 6 of this act apply to condominiums governed by chapter 64.32 RCW or this chapter and intended in whole or in part for residential purposes. These sections do not apply to condominiums consisting solely of units that are restricted in the declaration to nonresidential use. An association's governing documents may contain stricter requirements.

NEW SECTION. Sec. 2. A new section is added to chapter 64.34 RCW under the subchapter heading "Article 3" to read as follows:

(1) A reserve study as described in section 1 of this act is supplemental to the association's operating and maintenance budget. In preparing a reserve study, the association shall estimate the anticipated major maintenance, repair, and replacement costs, whose infrequent and significant nature make them impractical to be included in an annual budget.

(2) A reserve study shall include:

(a) A reserve component list, including quantities and estimates for useful life of each reserve component, remaining useful life of each reserve component, and current repair and replacement cost for each component;

(b) The date of the study and a statement that the study meets the requirements of this section;

(c) The level of reserve study performed:

(i) Level I: Full reserve study funding analysis and plan;

(ii) Level II: Update with visual site inspection;

(iii) Level III: Update with no visual site inspection;

(d) The association's reserve account balance;

(e) The percentage of the fully funded balance that the reserve account is funded;

(f) Special assessments already implemented or planned;

(g) Interest and inflation assumptions;

(h) Current reserve account contribution rate;

(i) Recommended reserve account contribution rate;

(j) Projected reserve account balance for thirty years and a funding plan to pay for projected costs from those reserves without reliance on future unplanned special assessments; and

(k) Whether the reserve study was prepared with the assistance of a reserve study professional.

(3) A reserve study shall include the following disclosure:

"This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component."

NEW SECTION. Sec. 3. A new section is added to chapter 64.34 RCW under the subchapter heading "Article 3" to read as follows:

An association may withdraw funds from its reserve account to pay for unforeseen or unbudgeted costs. The board of directors shall record any such withdrawal in the minute books of the association, cause notice of any such withdrawal to be

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hand delivered or sent prepaid by first-class United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit owner, and adopt a repayment schedule not to exceed twenty-four months unless it determines that repayment within twenty-four months would impose an unreasonable burden on the unit owners.

NEW SECTION. Sec. 4. A new section is added to chapter 64.34 RCW under the subchapter heading "Article 3" to read as follows:

(1) Where more than three years have passed since the date of the last reserve study prepared by a reserve study professional, the owners of the units to which at least twenty percent of the votes are allocated may demand, in writing, to the association that the cost of a reserve study be included in the next budget and that the study be obtained by the end of that budget year. The written demand must refer to this section. The board of directors shall, upon receipt of the written demand, provide unit owners making the demand reasonable assurance that the board of directors will include a reserve study in the next budget and, if the budget is not rejected by the owners, will arrange for the completion of a reserve study.

(2) In the event a written demand is made and a reserve study is not timely prepared, a court may order specific performance and award reasonable attorneys' fees to the prevailing party in any legal action brought to enforce this section. An association may assert unreasonable hardship as an affirmative defense in any action brought against it under this section. Without limiting this affirmative defense, an unreasonable hardship exists where the cost of preparing a reserve study would exceed ten percent of the association's annual budget.

(3) A unit owner's duty to pay for common expenses shall not be excused because of the association's failure to comply with this section or sections 2 through 6 of this act. A budget ratified by the unit owners under RCW 64.34.308(3) may not be invalidated because of the association's failure to comply with this section or sections 2 through 6 of this act.

NEW SECTION. Sec. 5. A new section is added to chapter 64.34 RCW under the subchapter heading "Article 3" to read as follows:

Subject to section 4 of this act, the decisions relating to the preparation and updating of a reserve study must be made by the board of directors of the association in the exercise of the reasonable discretion of the board. Such decisions must include whether a reserve study will be prepared or updated, and whether the assistance of a reserve study professional will be utilized.

NEW SECTION. Sec. 6. A new section is added to chapter 64.34 RCW under the subchapter heading "Article 3" to read as follows:

Monetary damages or any other liability may not be awarded against or imposed upon the association, the officers or board of directors of the association, or those persons who may have provided advice or assistance to the association or its officers or directors, for failure to: Establish a reserve account; have a current reserve study prepared or updated in accordance with sections 1 through 5 of this act; or make the reserve disclosures in accordance with section 2 of this act and RCW 64.34.410(1)(oo) and 64.34.425(1)(s).

Sec. 7. RCW 64.34.010 and 1993 c 429 s 12 are each amended to read as follows:

(1) This chapter applies to all condominiums created within this state after July 1, 1990. RCW 64.34.040 (separate titles and taxation), RCW 64.34.050 (applicability of local ordinances, regulations, and building codes), RCW 64.34.060 (condemnation), RCW 64.34.208 (construction and validity of declaration and bylaws), RCW 64.34.212 (description of units), RCW 64.34.304(1) (a) through (f) and (k) through (r) (powers of unit owners' association), RCW 64.34.308(1) (board of directors and officers), RCW 64.34.340 (voting-proxies), RCW 64.34.344 (tort and contract liability), RCW 64.34.354

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(notification on sale of unit), RCW 64.34.360(3) (common expenses-assessments), RCW 64.34.364 (lien for assessments), RCW 64.34.372 (association records), RCW 64.34.425 (resales of units), RCW 64.34.455 (effect of violation on rights of action; attorney's fees), sections 1 through 6 of this act (reserve studies and accounts), and RCW 64.34.020 (definitions) to the extent necessary in construing any of those sections, apply to all condominiums created in this state before July 1, 1990; but those sections apply only with respect to events and circumstances occurring after July 1, 1990, and do not invalidate or supersede existing, inconsistent provisions of the declaration, bylaws, or survey maps or plans of those condominiums.

(2) The provisions of chapter 64.32 RCW do not apply to condominiums created after July 1, 1990, and do not invalidate any amendment to the declaration, bylaws, and survey maps and plans of any condominium created before July 1, 1990, if the amendment would be permitted by this chapter. The amendment must be adopted in conformity with the procedures and requirements specified by those instruments and by chapter 64.32 RCW. If the amendment grants to any person any rights, powers, or privileges permitted by this chapter which are not otherwise provided for in the declaration or chapter 64.32 RCW, all correlative obligations, liabilities, and restrictions in this chapter also apply to that person.

(3) This chapter does not apply to condominiums or units located outside this state.

(4) RCW 64.34.400 (applicability-waiver), RCW 64.34.405 (liability for public offering statement requirements), RCW 64.34.410 (public offering statement-general provisions), RCW 64.34.415 (public offering statement-conversion condominiums), RCW 64.34.420 (purchaser's right to cancel), RCW 64.34.430 (escrow of deposits), RCW 64.34.440 (conversion condominiums-notice-tenants), and RCW 64.34.455 (effect of violations on rights of action-attorney's fees) apply with respect to all sales of units pursuant to purchase agreements entered into after July 1, 1990, in condominiums created before July 1, 1990, in which as of July 1, 1990, the declarant or an affiliate of the declarant owns or had the right to create at least ten units constituting at least twenty percent of the units in the condominium.

Sec. 8. RCW 64.34.020 and 2004 c 201 s 9 are each amended to read as follows:

In the declaration and bylaws, unless specifically provided otherwise or the context requires otherwise, and in this chapter:

(1) "Affiliate" means any person who controls, is controlled by, or is under common control with the referenced person. A person "controls" another person if the person: (a) Is a general partner, officer, director, or employer of the referenced person; (b) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than twenty percent of the voting interest in the referenced person; (c) controls in any manner the election of a majority of the directors of the referenced person; or (d) has contributed more than twenty percent of the capital of the referenced person. A person "is controlled by" another person if the other person: (i) Is a general partner, officer, director, or employer of the person; (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than twenty percent of the voting interest in the person; (iii) controls in any manner the election of a majority of the directors of the person; or (iv) has contributed more than twenty percent of the capital of the person. Control does not exist if the powers described in this subsection are held solely as security for an obligation and are not exercised.

(2) "Allocated interests" means the undivided interest in the common elements, the common expense liability, and votes in the association allocated to each unit.

(3) "Assessment" means all sums chargeable by the association against a unit including, without limitation: (a)

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Regular and special assessments for common expenses, charges, and fines imposed by the association; (b) interest and late charges on any delinquent account; and (c) costs of collection, including reasonable attorneys' fees, incurred by the association in connection with the collection of a delinquent owner's account.

(4) "Association" or "unit owners' association" means the unit owners' association organized under RCW 64.34.300.

(5) "Board of directors" means the body, regardless of name, with primary authority to manage the affairs of the association.

(6) "Common elements" means all portions of a condominium other than the units.

(7) "Common expenses" means expenditures made by or financial liabilities of the association, together with any allocations to reserves.

(8) "Common expense liability" means the liability for common expenses allocated to each unit pursuant to RCW 64.34.224.

(9) "Condominium" means real property, portions of which are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of those portions. Real property is not a condominium unless the undivided interests in the common elements are vested in the unit owners, and unless a declaration and a survey map and plans have been recorded pursuant to this chapter.

(10) "Contribution rate" means, in a reserve study as described in section 1 of this act, the amount contributed to the reserve account so that the association will have cash reserves to pay major maintenance, repair, or replacement costs without the need of a special assessment.

(11) "Conversion condominium" means a condominium (a) that at any time before creation of the condominium was lawfully occupied wholly or partially by a tenant or subtenant for residential purposes pursuant to a rental agreement, oral or written, express or implied, for which the tenant or subtenant had not received the notice described in (b) of this subsection; or (b) that, at any time within twelve months before the conveyance of, or acceptance of an agreement to convey, any unit therein other than to a declarant or any affiliate of a declarant, was lawfully occupied wholly or partially by a residential tenant of a declarant or an affiliate of a declarant and such tenant was not notified in writing, prior to lawfully occupying a unit or executing a rental agreement, whichever event first occurs, that the unit was part of a condominium and subject to sale. "Conversion condominium" shall not include a condominium in which, before July 1, 1990, any unit therein had been conveyed or been made subject to an agreement to convey to any transferee other than a declarant or an affiliate of a declarant.

((+1)) (12) "Conveyance" means any transfer of the ownership of a unit, including a transfer by deed or by real estate contract and, with respect to a unit in a leasehold condominium, a transfer by lease or assignment thereof, but shall not include a transfer solely for security.

((+2)) (13) "Dealer" means a person who, together with such person's affiliates, owns or has a right to acquire either six or more units in a condominium or fifty percent or more of the units in a condominium containing more than two units.

((+3)) (14) "Declarant" means:

(a) Any person who executes as declarant a declaration as defined in subsection ((+5)) (16) of this section; or

(b) Any person who reserves any special declarant right in the declaration; or

(c) Any person who exercises special declarant rights or to whom special declarant rights are transferred; or

(d) Any person who is the owner of a fee interest in the real property which is subjected to the declaration at the time of the recording of an instrument pursuant to RCW 64.34.316 and who directly or through one or more affiliates is materially involved in the construction, marketing, or sale of units in the condominium created by the recording of the instrument.

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((+4)) (15) "Declarant control" means the right of the declarant or persons designated by the declarant to appoint and remove officers and members of the board of directors, or to veto or approve a proposed action of the board or association, pursuant to RCW 64.34.308 (4) or (5).

((+5)) (16) "Declaration" means the document, however denominated, that creates a condominium by setting forth the information required by RCW 64.34.216 and any amendments to that document.

((+6)) (17) "Development rights" means any right or combination of rights reserved by a declarant in the declaration to: (a) Add real property or improvements to a condominium; (b) create units, common elements, or limited common elements within real property included or added to a condominium; (c) subdivide units or convert units into common elements; (d) withdraw real property from a condominium; or (e) reallocate limited common elements with respect to units that have not been conveyed by the declarant.

((+7)) (18) "Dispose" or "disposition" means a voluntary transfer or conveyance to a purchaser or lessee of any legal or equitable interest in a unit, but does not include the transfer or release of a security interest.

((+8)) (19) "Effective age" means the difference between useful life and remaining useful life.

(20) "Eligible mortgagee" means the holder of a mortgage on a unit that has filed with the secretary of the association a written request that it be given copies of notices of any action by the association that requires the consent of mortgagees.

((+9)) (21) "Foreclosure" means a forfeiture or judicial or nonjudicial foreclosure of a mortgage or a deed in lieu thereof.

((+20)) (22) "Fully funded balance" means the value of the deteriorated portion of all the reserve components. The fully funded balance for each reserve component is calculated by multiplying the current replacement cost of that reserve component by its effective age, then dividing the result by that reserve component's useful life. The sum total of all reserve components' fully funded balances is the association's fully funded balance.

(23) "Identifying number" means the designation of each unit in a condominium.

((+21)) (24) "Leasehold condominium" means a condominium in which all or a portion of the real property is subject to a lease, the expiration or termination of which will terminate the condominium or reduce its size.

((+22)) (25) "Limited common element" means a portion of the common elements allocated by the declaration or by operation of RCW 64.34.204 (2) or (4) for the exclusive use of one or more but fewer than all of the units.

((+23)) (26) "Master association" means an organization described in RCW 64.34.276, whether or not it is also an association described in RCW 64.34.300.

((+24)) (27) "Mortgage" means a mortgage, deed of trust or real estate contract.

((+25)) (28) "Person" means a natural person, corporation, partnership, limited partnership, trust, governmental subdivision or agency, or other legal entity.

((+26)) (29) "Purchaser" means any person, other than a declarant or a dealer, who by means of a disposition acquires a legal or equitable interest in a unit other than (a) a leasehold interest, including renewal options, of less than twenty years at the time of creation of the unit, or (b) as security for an obligation.

((+27)) (30) "Real property" means any fee, leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements thereon and easements, rights and interests appurtenant thereto which by custom, usage, or law pass with a conveyance of land although not described in the contract of sale or instrument of conveyance. "Real property" includes parcels, with or without upper or lower boundaries, and spaces that may be filled with air or water.

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~~((28))~~ (31) "Remaining useful life" means the estimated time, in years, that a reserve component can be expected to continue to serve its intended function.

(32) "Replacement cost" means the current cost of replacing, repairing, or restoring a reserve component to its original functional condition.

(33) "Residential purposes" means use for dwelling or recreational purposes, or both.

~~((29))~~ (34) "Reserve components" means common elements whose cost of maintenance, repair, or replacement is infrequent, significant, and impractical to include in an annual budget.

(35) "Reserve study professional" means an independent person suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study in accordance with sections 1 and 2 of this act.

(36) "Special declarant rights" means rights reserved for the benefit of a declarant to: (a) Complete improvements indicated on survey maps and plans filed with the declaration under RCW 64.34.232; (b) exercise any development right under RCW 64.34.236; (c) maintain sales offices, management offices, signs advertising the condominium, and models under RCW 64.34.256; (d) use easements through the common elements for the purpose of making improvements within the condominium or within real property which may be added to the condominium under RCW 64.34.260; (e) make the condominium part of a larger condominium or a development under RCW 64.34.280; (f) make the condominium subject to a master association under RCW 64.34.276; or (g) appoint or remove any officer of the association or any master association or any member of the board of directors, or to veto or approve a proposed action of the board or association, during any period of declarant control under RCW 64.34.308(4).

~~((30))~~ (37) "Timeshare" shall have the meaning specified in the timeshare act, RCW 64.36.010(11).

~~((31))~~ (38) "Unit" means a physical portion of the condominium designated for separate ownership, the boundaries of which are described pursuant to RCW 64.34.216(1)(d). "Separate ownership" includes leasing a unit in a leasehold condominium under a lease that expires contemporaneously with any lease, the expiration or termination of which will remove the unit from the condominium.

~~((32))~~ (39) "Unit owner" means a declarant or other person who owns a unit or leases a unit in a leasehold condominium under a lease that expires simultaneously with any lease, the expiration or termination of which will remove the unit from the condominium, but does not include a person who has an interest in a unit solely as security for an obligation. "Unit owner" means the vendee, not the vendor, of a unit under a real estate contract.

(40) "Useful life" means the estimated time, in years, that a reserve component can be expected to serve its intended function.

Sec. 9. RCW 64.34.304 and 1993 c 429 s 11 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, and subject to the provisions of the declaration, the association may:

- (a) Adopt and amend bylaws, rules, and regulations;
- (b) Adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect assessments for common expenses from unit owners;
- (c) Hire and discharge or contract with managing agents and other employees, agents, and independent contractors;
- (d) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more unit owners on matters affecting the condominium;
- (e) Make contracts and incur liabilities;
- (f) Regulate the use, maintenance, repair, replacement, and modification of common elements;
- (g) Cause additional improvements to be made as a part of the common elements;

(h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, but common elements may be conveyed or subjected to a security interest only pursuant to RCW 64.34.348;

(i) Grant easements, leases, licenses, and concessions through or over the common elements and petition for or consent to the vacation of streets and alleys;

(j) Impose and collect any payments, fees, or charges for the use, rental, or operation of the common elements, other than limited common elements described in RCW 64.34.204 (2) and (4), and for services provided to unit owners;

(k) Impose and collect charges for late payment of assessments pursuant to RCW 64.34.364(13) and, after notice and an opportunity to be heard by the board of directors or by such representative designated by the board of directors and in accordance with such procedures as provided in the declaration or bylaws or rules and regulations adopted by the board of directors, levy reasonable fines in accordance with a previously established schedule thereof adopted by the board of directors and furnished to the owners for violations of the declaration, bylaws, and rules and regulations of the association;

(l) Impose and collect reasonable charges for the preparation and recording of amendments to the declaration, resale certificates required by RCW 64.34.425, and statements of unpaid assessments;

(m) Provide for the indemnification of its officers and board of directors and maintain directors' and officers' liability insurance;

(n) Assign its right to future income, including the right to receive common expense assessments, but only to the extent the declaration provides;

(o) Join in a petition for the establishment of a parking and business improvement area, participate in the rate payers' board or other advisory body set up by the legislative authority for operation of a parking and business improvement area, and pay special assessments levied by the legislative authority on a parking and business improvement area encompassing the condominium property for activities and projects which benefit the condominium directly or indirectly;

(p) Establish and administer a reserve account as described in section 1 of this act;

(q) Prepare a reserve study as described in section 1 of this act;

(r) Exercise any other powers conferred by the declaration or bylaws;

~~((33))~~ (s) Exercise all other powers that may be exercised in this state by the same type of corporation as the association; and
~~((34))~~ (t) Exercise any other powers necessary and proper for the governance and operation of the association.

(2) The declaration may not impose limitations on the power of the association to deal with the declarant which are more restrictive than the limitations imposed on the power of the association to deal with other persons.

Sec. 10. RCW 64.34.410 and 2005 c 456 s 19 are each amended to read as follows:

(1) A public offering statement shall contain the following information:

- (a) The name and address of the condominium;
- (b) The name and address of the declarant;
- (c) The name and address of the management company, if any;
- (d) The relationship of the management company to the declarant, if any;
- (e) A list of up to the five most recent condominium projects completed by the declarant or an affiliate of the declarant within the past five years, including the names of the condominiums, their addresses, and the number of existing units in each. For the purpose of this section, a condominium is "completed" when any one unit therein has been rented or sold;
- (f) The nature of the interest being offered for sale;

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(g) A brief description of the permitted uses and use restrictions pertaining to the units and the common elements;

(h) A brief description of the restrictions, if any, on the renting or leasing of units by the declarant or other unit owners, together with the rights, if any, of the declarant to rent or lease at least a majority of units;

(i) The number of existing units in the condominium and the maximum number of units that may be added to the condominium;

(j) A list of the principal common amenities in the condominium which materially affect the value of the condominium and those that will or may be added to the condominium;

(k) A list of the limited common elements assigned to the units being offered for sale;

(l) The identification of any real property not in the condominium, the owner of which has access to any of the common elements, and a description of the terms of such access;

(m) The identification of any real property not in the condominium to which unit owners have access and a description of the terms of such access;

(n) The status of construction of the units and common elements, including estimated dates of completion if not completed;

(o) The estimated current common expense liability for the units being offered;

(p) An estimate of any payment with respect to the common expense liability for the units being offered which will be due at closing;

(q) The estimated current amount and purpose of any fees not included in the common expenses and charged by the declarant or the association for the use of any of the common elements;

(r) Any assessments which have been agreed to or are known to the declarant and which, if not paid, may constitute a lien against any units or common elements in favor of any governmental agency;

(s) The identification of any parts of the condominium, other than the units, which any individual owner will have the responsibility for maintaining;

(t) If the condominium involves a conversion condominium, the information required by RCW 64.34.415;

(u) Whether timesharing is restricted or prohibited, and if restricted, a general description of such restrictions;

(v) A list of all development rights reserved to the declarant and all special declarant rights reserved to the declarant, together with the dates such rights must terminate, and a copy of or reference by recording number to any recorded transfer of a special declarant right;

(w) A description of any material differences in terms of furnishings, fixtures, finishes, and equipment between any model unit available to the purchaser at the time the agreement for sale is executed and the unit being offered;

(x) Any liens on real property to be conveyed to the association required to be disclosed pursuant to RCW 64.34.435(2)(b);

(y) A list of any physical hazards known to the declarant which particularly affect the condominium or the immediate vicinity in which the condominium is located and which are not readily ascertainable by the purchaser;

(z) A brief description of any construction warranties to be provided to the purchaser;

(aa) Any building code violation citations received by the declarant in connection with the condominium which have not been corrected;

(bb) A statement of any unsatisfied judgments or pending suits against the association, a statement of the status of any pending suits material to the condominium of which the declarant has actual knowledge, and a statement of any litigation brought by an owners' association, unit owner, or governmental entity in which the declarant or any affiliate of the declarant has

been a defendant, arising out of the construction, sale, or administration of any condominium within the previous five years, together with the results thereof, if known;

(cc) Any rights of first refusal to lease or purchase any unit or any of the common elements;

(dd) The extent to which the insurance provided by the association covers furnishings, fixtures, and equipment located in the unit;

(ee) A notice which describes a purchaser's right to cancel the purchase agreement or extend the closing under RCW 64.34.420, including applicable time frames and procedures;

(ff) Any reports or statements required by RCW 64.34.415 or 64.34.440(6)(a). RCW 64.34.415 shall apply to the public offering statement of a condominium in connection with which a final certificate of occupancy was issued more than sixty calendar months prior to the preparation of the public offering statement whether or not the condominium is a conversion condominium as defined in RCW 64.34.020(~~(10)~~) (11);

(gg) A list of the documents which the prospective purchaser is entitled to receive from the declarant before the rescission period commences;

(hh) A notice which states: A purchaser may not rely on any representation or express warranty unless it is contained in the public offering statement or made in writing signed by the declarant or by any person identified in the public offering statement as the declarant's agent;

(ii) A notice which states: This public offering statement is only a summary of some of the significant aspects of purchasing a unit in this condominium and the condominium documents are complex, contain other important information, and create binding legal obligations. You should consider seeking the assistance of legal counsel;

(jj) Any other information and cross-references which the declarant believes will be helpful in describing the condominium to the recipients of the public offering statement, all of which may be included or not included at the option of the declarant;

(kk) A notice that addresses compliance or noncompliance with the housing for older persons act of 1995, P.L. 104-76, as enacted on December 28, 1995;

(ll) A notice that is substantially in the form required by RCW 64.50.050;

(mm) A statement, as required by RCW 64.35.210, as to whether the units or common elements of the condominium are covered by a qualified warranty, and a history of claims under any such warranty; (~~and~~)

(nn) A statement that the building enclosure has been designed and inspected as required by RCW 64.55.010 through 64.55.090, and, if required, repaired in accordance with the requirements of RCW 64.55.090; and

(oo) If the association does not have a reserve study that has been prepared in accordance with sections 1 and 2 of this act or its governing documents, the following disclosure:

"This association does not have a current reserve study. The lack of a current reserve study poses certain risks to you, the purchaser. Insufficient reserves may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a common element."

(2) The public offering statement shall include copies of each of the following documents: The declaration, the survey map and plans, the articles of incorporation of the association, bylaws of the association, rules and regulations, if any, current or proposed budget for the association, the balance sheet of the association current within ninety days if assessments have been collected for ninety days or more, the association's current reserve study, if any, and the inspection and repair report or reports prepared in accordance with the requirements of RCW 64.55.090.

If any of the foregoing documents listed in this subsection are not available because they have not been executed, adopted,

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or recorded, drafts of such documents shall be provided with the public offering statement, and, before closing the sale of a unit, the purchaser shall be given copies of any material changes between the draft of the proposed documents and the final documents.

(3) The disclosures required by subsection (1)(g), (k), (s), (u), (v), and (cc) of this section shall also contain a reference to specific sections in the condominium documents which further explain the information disclosed.

(4) The disclosures required by subsection (1)(ee), (hh), (ii), and (ll) of this section shall be located at the top of the first page of the public offering statement and be typed or printed in ten-point bold face type size.

(5) A declarant shall promptly amend the public offering statement to reflect any material change in the information required by this section.

Sec. 11. RCW 64.34.425 and 2004 c 201 s 4 are each amended to read as follows:

(1) Except in the case of a sale where delivery of a public offering statement is required, or unless exempt under RCW 64.34.400(2), a unit owner shall furnish to a purchaser before execution of any contract for sale of a unit, or otherwise before conveyance, a resale certificate, signed by an officer or authorized agent of the association and based on the books and records of the association and the actual knowledge of the person signing the certificate, containing:

(a) A statement disclosing any right of first refusal or other restraint on the free alienability of the unit contained in the declaration;

(b) A statement setting forth the amount of the monthly common expense assessment and any unpaid common expense or special assessment currently due and payable from the selling unit owner and a statement of any special assessments that have been levied against the unit which have not been paid even though not yet due;

(c) A statement, which shall be current to within forty-five days, of any common expenses or special assessments against any unit in the condominium that are past due over thirty days;

(d) A statement, which shall be current to within forty-five days, of any obligation of the association which is past due over thirty days;

(e) A statement of any other fees payable by unit owners;

(f) A statement of any anticipated repair or replacement cost in excess of five percent of the annual budget of the association that has been approved by the board of directors;

(g) A statement of the amount of any reserves for repair or replacement and of any portions of those reserves currently designated by the association for any specified projects;

(h) The annual financial statement of the association, including the audit report if it has been prepared, for the year immediately preceding the current year;

(i) A balance sheet and a revenue and expense statement of the association prepared on an accrual basis, which shall be current to within one hundred twenty days;

(j) The current operating budget of the association;

(k) A statement of any unsatisfied judgments against the association and the status of any pending suits or legal proceedings in which the association is a plaintiff or defendant;

(l) A statement describing any insurance coverage provided for the benefit of unit owners;

(m) A statement as to whether there are any alterations or improvements to the unit or to the limited common elements assigned thereto that violate any provision of the declaration;

(n) A statement of the number of units, if any, still owned by the declarant, whether the declarant has transferred control of the association to the unit owners, and the date of such transfer;

(o) A statement as to whether there are any violations of the health or building codes with respect to the unit, the limited common elements assigned thereto, or any other portion of the condominium;

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(p) A statement of the remaining term of any leasehold estate affecting the condominium and the provisions governing any extension or renewal thereof;

(q) A copy of the declaration, the bylaws, the rules or regulations of the association, the association's current reserve study, if any, and any other information reasonably requested by mortgagees of prospective purchasers of units. Information requested generally by the federal national mortgage association, the federal home loan bank board, the government national mortgage association, the veterans administration and the department of housing and urban development shall be deemed reasonable, provided such information is reasonably available to the association; ~~(and)~~

(r) A statement, as required by RCW 64.35.210, as to whether the units or common elements of the condominium are covered by a qualified warranty, and a history of claims under any such warranty; and

(s) If the association does not have a reserve study that has been prepared in accordance with sections 1 and 2 of this act or its governing documents, the following disclosure:

"This association does not have a current reserve study. The lack of a current reserve study poses certain risks to you, the purchaser. Insufficient reserves may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a common element."

(2) The association, within ten days after a request by a unit owner, and subject to payment of any fee imposed pursuant to RCW 64.34.304(1)(l), shall furnish a resale certificate signed by an officer or authorized agent of the association and containing the information necessary to enable the unit owner to comply with this section. For the purposes of this chapter, a reasonable charge for the preparation of a resale certificate may not exceed one hundred fifty dollars. The association may charge a unit owner a nominal fee for updating a resale certificate within six months of the unit owner's request. The unit owner shall also sign the certificate but the unit owner is not liable to the purchaser for any erroneous information provided by the association and included in the certificate unless and to the extent the unit owner had actual knowledge thereof.

(3) A purchaser is not liable for any unpaid assessment or fee against the unit as of the date of the certificate greater than the amount set forth in the certificate prepared by the association unless and to the extent such purchaser had actual knowledge thereof. A unit owner is not liable to a purchaser for the failure or delay of the association to provide the certificate in a timely manner, but the purchaser's contract is voidable by the purchaser until the certificate has been provided and for five days thereafter or until conveyance, whichever occurs first."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Tom moved that the Senate concur in the House amendment(s) to Senate Bill No. 6215.

Senator Tom spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Tom that the Senate concur in the House amendment(s) to Senate Bill No. 6215.

The motion by Senator Tom carried and the Senate concurred in the House amendment(s) to Senate Bill No. 6215 by voice vote.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6215 as amended by the House.

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ROLL CALL

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The Secretary called the roll on the final passage of Senate Bill No. 6215, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 43; Nays, 3; Absent, 0; Excused, 3.

Voting yea: Senators Benton, Berkey, Brandland, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Jacobsen, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Rasmussen, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Tom, Weinstein and Zarelli - 43

Voting nay: Senators Holmquist, Honeyford and Swecker - 3

Excused: Senators Brown, Pridemore and Spanel - 3

SENATE BILL NO. 6215, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

March 4, 2008

MR. PRESIDENT:

The House has passed SENATE BILL NO. 6261, with the following amendment: 6261 AMH ENGR H5811.E

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** The legislature finds that there is a persistent and unacceptable high rate of unemployment among young people in Washington. The unemployment rate among those between eighteen and twenty-four years of age is seventeen percent, about four times the unemployment rate among the general population. It is the legislature's intent that the workforce training and education coordinating board examine programs to help young people be more successful in the workforce and make recommendations to improve policies and programs in Washington.

Sec. 2. RCW 28C.18.060 and 2007 c 149 s 1 are each amended to read as follows:

The board, in cooperation with the operating agencies of the state training system and private career schools and colleges, shall:

(1) Concentrate its major efforts on planning, coordination evaluation, policy analysis, and recommending improvements to the state's training system((-));

(2) Advocate for the state training system and for meeting the needs of employers and the workforce for workforce education and training((-));

(3) Establish and maintain an inventory of the programs of the state training system, and related state programs, and perform a biennial assessment of the vocational education, training, and adult basic education and literacy needs of the state; identify ongoing and strategic education needs; and assess the extent to which employment, training, vocational and basic education, rehabilitation services, and public assistance services represent a consistent, integrated approach to meet such needs((-);

(4) Develop and maintain a state comprehensive plan for workforce training and education, including but not limited to, goals, objectives, and priorities for the state training system, and review the state training system for consistency with the state comprehensive plan. In developing the state comprehensive plan for workforce training and education, the board shall use, but shall not be limited to: Economic, labor market, and populations trends reports in office of financial management

forecasts; joint office of financial management and employment security department labor force, industry employment, and occupational forecasts; the results of scientifically based outcome, net-impact and cost-benefit evaluations; the needs of employers as evidenced in formal employer surveys and other employer input; and the needs of program participants and workers as evidenced in formal surveys and other input from program participants and the labor community((-);

(5) In consultation with the higher education coordinating board, review and make recommendations to the office of financial management and the legislature on operating and capital facilities budget requests for operating agencies of the state training system for purposes of consistency with the state comprehensive plan for workforce training and education((-);

(6) Provide for coordination among the different operating agencies and components of the state training system at the state level and at the regional level((-);

(7) Develop a consistent and reliable database on vocational education enrollments, costs, program activities, and job placements from publicly funded vocational education programs in this state((-);

(8)(a) Establish standards for data collection and maintenance for the operating agencies of the state training system in a format that is accessible to use by the board. The board shall require a minimum of common core data to be collected by each operating agency of the state training system((-
~~The board shall~~);

(b) Develop requirements for minimum common core data in consultation with the office of financial management and the operating agencies of the training system((-);

(9) Establish minimum standards for program evaluation for the operating agencies of the state training system, including, but not limited to, the use of common survey instruments and procedures for measuring perceptions of program participants and employers of program participants, and monitor such program evaluation((-);

(10) Every two years administer scientifically based outcome evaluations of the state training system, including, but not limited to, surveys of program participants, surveys of employers of program participants, and matches with employment security department payroll and wage files. Every five years administer scientifically based net-impact and cost-benefit evaluations of the state training system((-);

(11) In cooperation with the employment security department, provide for the improvement and maintenance of quality and utility in occupational information and forecasts for use in training system planning and evaluation. Improvements shall include, but not be limited to, development of state-based occupational change factors involving input by employers and employees, and delineation of skill and training requirements by education level associated with current and forecasted occupations((-);

(12) Provide for the development of common course description formats, common reporting requirements, and common definitions for operating agencies of the training system((-);

(13) Provide for effectiveness and efficiency reviews of the state training system((-);

(14) In cooperation with the higher education coordinating board, facilitate transfer of credit policies and agreements between institutions of the state training system, and encourage articulation agreements for programs encompassing two years of secondary workforce education and two years of postsecondary workforce education((-);

(15) In cooperation with the higher education coordinating board, facilitate transfer of credit policies and agreements between private training institutions and institutions of the state training system((-);

(16) Develop policy objectives for the workforce investment act, P.L. 105-220, or its successor; develop coordination criteria for activities under the act with related programs and services

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provided by state and local education and training agencies; and ensure that entrepreneurial training opportunities are available through programs of each local workforce investment board in the state(-);

(17) Make recommendations to the commission of student assessment, the state board of education, and the superintendent of public instruction, concerning basic skill competencies and essential core competencies for K-12 education. Basic skills for this purpose shall be reading, writing, computation, speaking, and critical thinking, essential core competencies for this purpose shall be English, math, science/technology, history, geography, and critical thinking. The board shall monitor the development of and provide advice concerning secondary curriculum which integrates vocational and academic education(-);

(18) Establish and administer programs for marketing and outreach to businesses and potential program participants(-);

(19) Facilitate the location of support services, including but not limited to, child care, financial aid, career counseling, and job placement services, for students and trainees at institutions in the state training system, and advocate for support services for trainees and students in the state training system(-);

(20) Facilitate private sector assistance for the state training system, including but not limited to: Financial assistance, rotation of private and public personnel, and vocational counseling(-);

(21) Facilitate the development of programs for school-to-work transition that combine classroom education and on-the-job training, including entrepreneurial education and training, in industries and occupations without a significant number of apprenticeship programs(-);

(22) Include in the planning requirements for local workforce investment boards a requirement that the local workforce investment boards specify how entrepreneurial training is to be offered through the one-stop system required under the workforce investment act, P.L. 105-220, or its successor(-);

(23) Encourage and assess progress for the equitable representation of racial and ethnic minorities, women, and people with disabilities among the students, teachers, and administrators of the state training system. Equitable, for this purpose, shall mean substantially proportional to their percentage of the state population in the geographic area served. This function of the board shall in no way lessen more stringent state or federal requirements for representation of racial and ethnic minorities, women, and people with disabilities(-);

(24) Participate in the planning and policy development of governor set-aside grants under P.L. 97-300, as amended(-);

(25) Administer veterans' programs, licensure of private vocational schools, the job skills program, and the Washington award for vocational excellence(-);

(26) Allocate funding from the state job training trust fund(-);

(27) Work with the director of community, trade, and economic development to ensure coordination between workforce training priorities and that department's economic development and entrepreneurial development efforts(-);

(28) Conduct research into workforce development programs designed to reduce the high unemployment rate among young people between approximately eighteen and twenty-four years of age. In consultation with the operating agencies, the board shall advise the governor and legislature on policies and programs to alleviate the high unemployment rate among young people. The research shall include disaggregated demographic information and, to the extent possible, income data for adult youth. The research shall also include a comparison of the effectiveness of programs examined as a part of the research conducted in this subsection in relation to the public investment made in these programs in reducing unemployment of young adults. The board shall report to the appropriate committees of the legislature by November 15, 2008, and every two years

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thereafter. Where possible, the data reported to the legislative committees should be reported in numbers and in percentages.

(29) Adopt rules as necessary to implement this chapter.

The board may delegate to the director any of the functions of this section.

NEW SECTION. Sec. 3. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, this act is null and void."

Correct the title. and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Kilmer moved that the Senate concur in the House amendment(s) to Senate Bill No. 6261.

Senator Kilmer spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator Kilmer that the Senate concur in the House amendment(s) to Senate Bill No. 6261.

The motion by Senator Kilmer carried and the Senate concurred in the House amendment(s) to Senate Bill No. 6261 by voice vote.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6261 as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6261, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Benton, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Kastama, Kauffman, Keiser, Kilmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Rasmussen, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, Weinstein and Zarelli - 47

Excused: Senators Pridemore and Spanel - 2

SENATE BILL NO. 6261, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

March 5, 2008

MR. PRESIDENT:

The House has passed SENATE BILL NO. 6289, with the following amendment:

6289 AMH AGNR H5817.1

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 77.32.070 and 2005 c 418 s 1 are each amended to read as follows:

(1) Applicants for a license, permit, tag, or stamp shall furnish the information required by the director. However, the director may not require the purchaser of a razor clam license under RCW 77.32.520 to provide any personal information except for proof of residency. The commission may adopt rules

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requiring licensees or permittees to keep records and make reports concerning the taking of or effort to harvest fish, shellfish, and wildlife. The reporting requirement may be waived where, for any reason, the department is not able to receive the report. The department must provide reasonable options for a licensee to submit information to a live operator prior to the reporting deadline.

(2) The commission may, by rule, set an administrative penalty for failure to comply with rules requiring the reporting of taking or effort to harvest wildlife. The commission may also adopt rules requiring hunters who have not reported for the previous license year to complete a report and pay the assessed administrative penalty before a new hunting license is issued.

(a) The total administrative penalty per hunter set by the commission must not exceed ten dollars.

(b) By December 31st of each year, the department shall report the rate of hunter compliance with the harvest reporting requirement, the administrative penalty imposed for failing to report, and the amount of administrative penalties collected during that year to the appropriate fiscal and policy committees of the senate and house of representatives.

(3) The commission may, by rule, set an administrative penalty for failure to comply with rules requiring the reporting of data from catch record cards officially endorsed for Puget Sound Dungeness crab. The commission may also adopt rules requiring fishers who possessed a catch record card officially endorsed for Puget Sound Dungeness crab and who have not reported for the previous license year to complete a report and pay the assessed administrative penalty before a new catch record card officially endorsed for Puget Sound Dungeness crab is issued.

(a) The total administrative penalty per fisher set by the commission must not exceed ten dollars.

(b) By December 31st of each year, the department shall report the rate of fisher compliance with the Puget Sound Dungeness crab catch record card reporting requirement, the administrative penalty imposed for failing to report, and the amount of administrative penalties collected during that year to the appropriate fiscal and policy committees of the senate and house of representatives.

Sec. 2. RCW 77.15.280 and 2005 c 418 s 2 are each amended to read as follows:

(1) A person is guilty of violating rules requiring reporting of fish or wildlife harvest if the person:

(a) Fails to make a harvest log report of a commercial fish or shellfish catch in violation of any rule of the commission or the director;

(b) Fails to maintain a trapper's report or taxidermist ledger in violation of any rule of the commission or the director;

(c) Fails to submit any portion of a big game animal for a required inspection required by rule of the commission or the director; or

(d) Fails to return a catch record card to the department as required by rule of the commission or director, except for catch record cards officially endorsed for Puget Sound Dungeness crab.

(2) Violating rules requiring reporting of fish or wildlife harvest is a misdemeanor."

Correct the title.

and the same are herewith transmitted.

BARBARA BAKER, Chief Clerk

MOTION

Senator Jacobsen moved that the Senate concur in the House amendment(s) to Senate Bill No. 6289.

Senators Jacobsen and Morton spoke in favor of passage of the motion.

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The President declared the question before the Senate to be the motion by Senator Jacobsen that the Senate concur in the House amendment(s) to Senate Bill No. 6289.

The motion by Senator Jacobsen carried and the Senate concurred in the House amendment(s) to Senate Bill No. 6289 by voice vote.

The President declared the question before the Senate to be the final passage of Senate Bill No. 6289 as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 6289, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Benton, Berkey, Brandland, Brown, Carrell, Delvin, Eide, Fairley, Franklin, Fraser, Hargrove, Hatfield, Haugen, Hewitt, Hobbs, Holmquist, Honeyford, Jacobsen, Kastama, Kauffman, Keiser, Kilmmer, King, Kline, Kohl-Welles, Marr, McAuliffe, McCaslin, McDermott, Morton, Murray, Oemig, Parlette, Pflug, Prentice, Rasmussen, Regala, Roach, Rockefeller, Schoesler, Sheldon, Shin, Stevens, Swecker, Tom, Weinstein and Zarelli - 47

Excused: Senators Pridemore and Spanel - 2

SENATE BILL NO. 6289, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

At 12:05 p.m., on motion of Senator Eide, the Senate adjourned until 9:30 a.m. Monday, March 10, 2008.

BRAD OWEN, President of the Senate

THOMAS HOEMANN, Secretary of the Senate

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