

SECOND DAY

MORNING SESSION

Senate Chamber, Olympia, Wednesday, April 27, 2011

The Senate was called to order at 10:00 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, Delvin, Ericksen, Kline, Prentice, Sheldon, Swecker and Zarelli.

The Sergeant at Arms Color Guard consisting of Legislative Staff Shawn O'Neill and Kyle Burleigh, presented the Colors. Senator Hargrove 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

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

MESSAGE FROM THE GOVERNOR
GUBERNATORIAL APPOINTMENTS

April 13, 2011

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.

JEFF JOHNSON, appointed April 13, 2011, for the term ending June 30, 2014, as Member of the Work Force Training and Education Coordinating Board.

Sincerely,

CHRISTINE O. GREGOIRE, Governor

Referred to Committee on Labor, Commerce & Consumer Protection.

MOTION

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

MOTION

At 10:08 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 11:48 a.m. by President Owen.

MOTION

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

THIRD READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 5251, by Senate Committee on Transportation (originally sponsored by Senators Haugen, Swecker, Sheldon, Hobbs and White).

Imposing an additional vehicle license fee on electric vehicles. Revised for 1st Substitute: Concerning electric vehicle license fees.

The bill was read on Third Reading.

MOTION

On motion of Senator Haugen, the rules were suspended and Engrossed Substitute Senate Bill No. 5251 was returned to second reading for the purpose of amendment.

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 5251, by Senate Committee on Transportation (originally sponsored by Senators Haugen, Swecker, Sheldon, Hobbs and White)

Imposing an additional vehicle license fee on electric vehicles. Revised for 1st Substitute: Concerning electric vehicle license fees.

The measure was read the second time.

MOTION

Senator Haugen moved that the following amendment by Senators Haugen and King be adopted:

On page 1, line 17, after "for" strike "a vehicle registration" and insert "an annual vehicle registration renewal"

On page 2, beginning on line 4, after "of" strike "initial vehicle registration and annual" and insert "annual vehicle"

On page 2, line 9, after "(b)" strike "A vehicle registration" and insert "An annual vehicle registration renewal"

Senators Haugen and King spoke in favor of adoption of the amendment.

MOTION

On motion of Senator White, Senators Kline and Sheldon were excused.

The President declared the question before the Senate to be the adoption of the amendment by Senators Haugen and King on page 1, line 17 to Engrossed Substitute Senate Bill No. 5251.

The motion by Senator Haugen carried and the amendment was adopted by voice vote.

MOTION

On motion of Senator Haugen, the rules were suspended, Second Engrossed Substitute Senate Bill No. 5251 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Haugen and King spoke in favor of passage of the bill.

MOTION

On motion of Senator Holmquist Newbry, Senators Benton, Delvin, Swecker and Zarelli were excused.

The President declared the question before the Senate to be the final passage of Second Engrossed Substitute Senate Bill No. 5251.

ROLL CALL

The Secretary called the roll on the final passage of Second Engrossed Substitute Senate Bill No. 5251 and the bill passed the Senate by the following vote: Yeas, 26; Nays, 15; Absent, 2; Excused, 6.

Voting yea: Senators Becker, Brown, Chase, Conway, Eide, Fraser, Hargrove, Harper, Hatfield, Haugen, Hewitt, Hobbs, Honeyford, Keiser, King, McAuliffe, Morton, Nelson, Parlette, Pflug, Ranker, Regala, Rockefeller, Schoesler, Shin and White

Voting nay: Senators Baumgartner, Baxter, Carrell, Fain, Hill, Holmquist Newbry, Kastama, Kilmer, Kohl-Welles, Litzow, Murray, Pridemore, Roach, Stevens and Tom

Absent: Senators Ericksen and Prentice

Excused: Senators Benton, Delvin, Kline, Sheldon, Swecker and Zarelli

SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5251, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Morton, Senator Prentice was excused.

MOTION

On motion of Senator Eide, Second Engrossed Substitute Senate Bill No. 5251 was immediately transmitted to the House of Representatives.

MOTION

At 11:59 a.m., on motion of Senator Eide, the Senate was declared to be at ease subject to the call of the President.

AFTERNOON SESSION

The Senate was called to order at 1:59 p.m. by President Owen.

MOTION

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

SECOND READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Pridemore moved that Gubernatorial Appointment No. 9000, Harold Abbe, as a member of the Columbia River Gorge Commission, be confirmed.

Senator Pridemore spoke in favor of the motion.

MOTION

On motion of Senator Ericksen, Senators Carrell, Parlette and Schoesler were excused.

MOTION

On motion of Senator White, Senator McAuliffe was excused.

APPOINTMENT OF HAROLD ABBE

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9000, Harold Abbe as a member of the Columbia River Gorge Commission.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9000, Harold Abbe as a member of the Columbia River Gorge Commission and the appointment was confirmed by the following vote: Yeas, 40; Nays, 0; Absent, 0; Excused, 9.

Voting yea: Senators Baumgartner, Baxter, Becker, Brown, Chase, Conway, Eide, Ericksen, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Kastama, Keiser, Kilmer, King, Kline, Kohl-Welles, Litzow, Morton, Murray, Nelson, Parlette, Pflug, Pridemore, Ranker, Regala, Roach, Rockefeller, Shin, Stevens, Tom and White

Excused: Senators Benton, Carrell, Delvin, McAuliffe, Prentice, Schoesler, Sheldon, Swecker and Zarelli

Gubernatorial Appointment No. 9000, Harold Abbe, having received the constitutional majority was declared confirmed as a member of the Columbia River Gorge Commission.

SECOND READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Shin moved that Gubernatorial Appointment No. 9120, Richard Van Hollebeke, as a member of the Board of Trustees, Edmonds Community College District No. 23, be confirmed.

Senator Shin spoke in favor of the motion.

MOTION

On motion of Senator Ericksen, Senator Holmquist Newbry was excused.

APPOINTMENT OF RICHARD VAN HOLLEBEKE

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9120, Richard Van Hollebeke as a member of the Board of Trustees, Edmonds Community College District No. 23.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9120, Richard Van Hollebeke as a member of the Board of Trustees, Edmonds Community College District No. 23 and the appointment was confirmed by the following vote: Yeas, 40; Nays, 0; Absent, 0; Excused, 9.

Voting yea: Senators Baumgartner, Baxter, Becker, Brown, Chase, Conway, Eide, Ericksen, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hewitt, Hill, Hobbs, Honeyford, Kastama, Keiser, Kilmer, King, Kline, Kohl-Welles, Litzow, Morton, Murray, Nelson, Parlette, Pflug, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Shin, Stevens, Tom and White

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Excused: Senators Benton, Carrell, Delvin, Holmquist Newbry, McAuliffe, Prentice, Sheldon, Swecker and Zarelli

Gubernatorial Appointment No. 9120, Richard Van Hollebeke, having received the constitutional majority was declared confirmed as a member of the Board of Trustees, Edmonds Community College District No. 23.

SECOND READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Fraser moved that Gubernatorial Appointment No. 9142, Thomas Cowan, as a member of the Transportation Commission, be confirmed.

Senator Fraser spoke in favor of the motion.

MOTION

On motion of Senator Eide, Senator McAuliffe was excused.

APPOINTMENT OF THOMAS COWAN

The President declared the question before the Senate to be the confirmation of Gubernatorial Appointment No. 9142, Thomas Cowan as a member of the Transportation Commission.

The Secretary called the roll on the confirmation of Gubernatorial Appointment No. 9142, Thomas Cowan as a member of the Transportation Commission and the appointment was confirmed by the following vote: Yeas, 41; Nays, 0; Absent, 1; Excused, 7.

Voting yea: Senators Baumgartner, Baxter, Becker, Brown, Carrell, Chase, Eide, Ericksen, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hewitt, Hill, Hobbs, Holmquist Newbry, Honeyford, Kastama, Keiser, Kilmer, King, Kline, Kohl-Welles, Litzow, McAuliffe, Morton, Murray, Nelson, Parlette, Pflug, Pridmore, Ranker, Roach, Rockefeller, Schoesler, Shin, Stevens, Tom and White

Absent: Senator Conway

Excused: Senators Benton, Delvin, Prentice, Regala, Sheldon, Swecker and Zarelli

Gubernatorial Appointment No. 9142, Thomas Cowan, having received the constitutional majority was declared confirmed as a member of the Transportation Commission.

MOTION

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

ENGROSSED SENATE BILL NO. 5764, by Senators Kastama, Chase, Shin, Kilmer, Brown, Conway and McAuliffe.

Creating innovate Washington. (REVISED FOR ENGROSSED: Creating innovate Washington, which includes the Washington clean energy partnership as a programmatic activity.)

The bill was read on Third Reading.

MOTION

On motion of Senator Kastama, the rules were suspended and Second Engrossed Senate Bill No. 5764 was returned to second reading for the purpose of amendment.

SECOND READING

ENGROSSED SENATE BILL NO. 5764, by Senators Kastama, Chase, Shin, Kilmer, Brown, Conway and McAuliffe

Creating innovate Washington. (REVISED FOR ENGROSSED: Creating innovate Washington, which includes the Washington clean energy partnership as a programmatic activity.)

The measure was read the second time.

MOTION

Senator Kastama moved that the following striking amendment by Senators Kastama and Baumgartner be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. (1) Innovate Washington is hereby created as a state agency exercising public and essential governmental functions. Innovate Washington is created as the successor to the Washington technology center and the Spokane intercollegiate research and technology institute. Innovate Washington is created to be a collaborative effort between the state's public and private institutions of higher education, private industry, and government and is to be the primary agency focused on growing the innovation-based economic sectors of the state and responding to the technology transfer needs of existing businesses in the state.

(2) The mission of innovate Washington is to make Washington the best place to develop, build, and deploy innovative products, services, and solutions to serve the world. To carry out this mission, innovate Washington is to: Develop and strengthen academic-industry relationships through research and assistance that is primarily of interest to existing small and medium-sized Washington-based companies; facilitate company growth through early stage financing; and leverage state investments in sector-focused, innovation-based economic development initiatives consistent with the state's economic development strategic plan and export strategy. As funds are available, innovate Washington shall:

(a) Facilitate leading edge collaborative research and technology transfer opportunities to existing state businesses directly and by working with industry associations and innovation partnership zones;

(b) Coordinate its activities with the commercialization and technology transfer activities of the state's research institutions to facilitate research that supports and develops state industries;

(c) Provide methods, systems, and venues for effective interaction and collaboration between the state's technology-based industries and its institutions of higher education;

(d) Provide assistance and support to businesses in:

(i) Securing federal and private funds to support product research and commercialization;

(ii) Developing and integrating technology in new or enhanced products and services; and

(iii) Launching those products and services in sustainable businesses in the state;

(e) Establish programmatic activities that, through partnerships with the private sector, increase the competitiveness of state industries. This may include support provided to firms in innovation partnership zones established under RCW 43.330.270;

(f) Provide opportunities for training undergraduate and graduate students in technology transfer and commercialization processes through direct involvement in research and industry interactions;

(g) Work with regional public and private utilities, district energy providers, the utilities and transportation commission, and the state energy office to improve the alignment of investments in clean energy technologies with existing state policies. This may include facilitating public-private partnerships to encourage research and development of emerging clean and renewable energy technologies;

(h) Serve as the lead entity in the state for coordinating clean energy-related initiatives and establishing a long-term funding strategy for programs targeted at expanding the clean energy sector, while maintaining existing energy policy and regulatory functions at the department of commerce within the state energy office;

(i) Administer technology and innovation grant and loan programs including bridge funding programs for the state's technology sector;

(j) Emphasize and develop nonstate support of program activities; and

(k) Facilitate public-private partnerships that support the growth of strategic, innovation-based sectors.

(3)(a) Administrative responsibilities for the Washington technology center facilities located on the University of Washington Seattle campus and the Spokane intercollegiate research and technology institute facilities located on the Riverpoint campus operated by Washington State University Spokane are hereby transferred to innovate Washington except to the extent that such responsibilities are the subject of an interagency agreement between the University of Washington and the Washington technology center, in which case the terms of that agreement control. The facilities shall be used for purposes consistent with the obligations of innovate Washington under this chapter. As initially established, the University of Washington and Washington State University shall continue to provide the facility support and maintenance for these facilities as required by innovate Washington, except to the extent that such responsibilities are the subject of an interagency agreement between the University of Washington and the Washington technology center, in which case the terms of that agreement control. Other institutions of higher education may provide facility support and maintenance subsequently.

(b) The University of Washington, Washington State University, and other institutions of higher education participating in innovate Washington programs shall provide the affiliated staff and faculty participating in these programs at their own expense.

(4) The facilities of innovate Washington may be made available to any research institution or any public institution of higher education within the state when this would benefit specific program needs consistent with this chapter.

(5) Innovate Washington shall, by December 1, 2012, develop a five-year business plan that must be updated by December 1st of every even-numbered year and submitted to the appropriate committees of the legislature. The plan must include:

(a) A plan for operating additional facilities in Vancouver, the Tri-Cities, Bellingham, and such other locations as the innovate Washington board identifies as appropriate;

(b) Identification and specification of activities to be undertaken by those operating each of innovate Washington's facilities to include potential collaboration with innovative programs at the state's community and technical colleges and methods of working with the centers of excellence established under RCW 28B.50.902 to identify businesses that could benefit from innovate Washington services;

(c) The process to be followed, developed in collaboration with impact Washington or any successor manufacturing extension partnership program operating in the state, to ensure that impact Washington clients have ready access to innovate Washington's services when appropriate and that companies being assisted by

innovate Washington have ready access to impact Washington's services; and

(d) Mechanisms for outreach to firms operating in the state's innovation partnership zones established under RCW 43.330.270 to ensure such firms benefit from innovate Washington services.

(6) The five-year business plan required under this section must include a clean energy component that includes:

(a) A strategy for implementation of the first three market-driving initiatives identified by the clean energy leadership council in its 2010 report. These market-driving initiatives are in the areas of:

(i) Combined energy efficiency, green buildings, and smart grid;

(ii) Renewable energy resource optimization and smart grid deployment; and

(iii) Bioenergy deployment acceleration.

(b) Recommendations on ways to improve policy alignment, streamline regulatory requirements, and remove administrative barriers that limit the growth of the clean energy sector in Washington.

(7) For the purposes of this section, "lead entity" means the organization that all other state agencies must coordinate with and receive approval from in order to award state funds in support of clean energy initiatives.

NEW SECTION. Sec. 2. (1) The powers of innovate Washington are vested in and shall be exercised by a board of directors consisting of:

(a) The governor of the state of Washington or the governor's designee;

(b)(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 of representatives shall appoint one member from each of the two largest caucuses of the house of representatives;

(c) The president of the University of Washington or the president's designee;

(d) The president of Washington State University or the president's designee;

(e) The director of the department of commerce or the director's designee;

(f) The chairs of the sector advisory committees created under this chapter shall serve as ex officio voting members; and

(g) Seven members appointed by the governor from among individuals who own or are executives at technology-based and innovative firms in the state; of these members, at least four must be from firms manufacturing in the state. The term of office for each board member appointed by the governor shall be three years except, of the initial appointees, three shall be appointed for one year and three shall be appointed for two years. Members of the board may be appointed for additional terms.

(2) The board shall meet at least biannually. The initial meeting of the board must occur before December 31, 2011.

(3) A board member may be removed by the governor for cause under RCW 43.06.070 and 43.06.080. The governor must fill any vacancy on the board by appointment for the remainder of the unexpired term.

(4)(a) The appointed members of the board shall be compensated in accordance with RCW 43.03.240 and may be reimbursed for expenses incurred in the discharge of their duties under this chapter pursuant to RCW 43.03.050 and 43.03.060.

(b) The ex officio members of the board under subsection (1)(a) and (c) through (g) of this section may be reimbursed for expenses incurred in the discharge of their duties under this chapter pursuant to RCW 43.03.050 and 43.03.060.

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(c) Legislative members of the board may be reimbursed for expenses incurred in the discharge of their duties under this chapter pursuant to RCW 44.04.120.

(5) A majority of currently serving board members constitutes a quorum.

(6) Meetings of the board shall be held in accordance with the open public meetings act, chapter 42.30 RCW, and at the call of the chair or when a majority of the board members so requests. Meetings of the board may be held at any location within or out of the state, and board members may participate in a meeting of the board by means of a conference telephone or similar communication equipment under RCW 23B.08.200.

(7) The innovate Washington board must:

(a) Develop operating policies for innovate Washington programs;

(b) Appoint, and perform an annual performance review of, an executive director;

(c) Approve an annual operating budget and ensure adequate funding for operations;

(d) Approve a five-year business plan and its updates;

(e) Perform the duties required under chapter 70.210 RCW relating to the investing in innovation program;

(f) Convene representatives of the commercialization and technology transfer offices of private and public research institutions in the state to determine the best methods for:

(i) Integrating existing databases into a single database of in-state technologies and inventions;

(ii) Making the technologies in the integrated database accessible; and

(iii) Promoting the integrated database to entrepreneurs and investors for commercialization and licensing purposes;

(g) Set performance goals for each program or service established; and

(h) Provide a report to the governor and the legislature detailing the fund-raising activities and outcomes, operations, economic impact, and performance of innovate Washington. The report is due by December 1st of every year and the first report is due by December 1, 2012. The report must include measures related to customer satisfaction as well as measures of results derived from assistance provided to businesses, including but not limited to manufacturing facilities established in Washington, job creation inside and outside of Washington, new product development, new markets opened and other export measures, the adoption of new production processes, revenue and sales growth, measures that would be included in a balanced scorecard, and such other outcome-based measures as the board determines is appropriate.

(8) The board may:

(a) Make and execute agreements, contracts, and other instruments with any private, public, or nonprofit entity for the performance, operation, administration, implementation, or advancement of any program in accordance with this chapter;

(b) Employ, contract with, or engage staff, advisors, auditors, other technical or professional assistants, and such other personnel as are necessary or desirable to implement this chapter. Staff support for innovate Washington programs may be provided through cooperative agreements with any public or private institution of higher education;

(c) Solicit and receive gifts, grants, donations, sponsorships, or contributions from any federal, state, or local governmental agency or program or any private source, and expend the same for any purpose consistent with this chapter;

(d) Establish such:

(i) Affiliated organizations, that may not be considered state agencies as defined under chapter 43.88 RCW, to facilitate partnerships and program delivery with the private sector;

(ii) Special funds consistent with the provisions of chapter 43.88 RCW; and

(iii) Controls as it finds convenient for the implementation of this chapter;

(e) Create one or more advisory committees;

(f) Adopt rules consistent with this chapter;

(g) Delegate any of its powers and duties if consistent with the purposes of this chapter; and

(h) Exercise any other power reasonably required to implement the purposes of this chapter.

NEW SECTION. Sec. 3. (1) To increase participation by Washington state small business innovators in federal small business research programs, innovate Washington shall provide or contract for the provision of a small business innovation assistance program. The program must include a proposal review process and must train and assist Washington small business innovators to win awards from federal small business research programs. The program must collaborate with small business development centers, entrepreneur-in-residence programs, and other appropriate sources of technical assistance to ensure that small business innovators also receive the planning, counseling, and support services necessary to expand their businesses and protect their intellectual property.

(2) In operating the program, innovate Washington must give priority to first-time applicants to the federal small business research programs, new businesses, and firms with fewer than ten employees, and may charge a fee for its services.

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

(a) "Federal small business research programs" means the programs, operating pursuant to the small business innovation development act of 1982, P.L. 97-219, and the small business technology transfer act of 1992, P.L. 102-564, title II, that provide funds to small businesses to conduct research having commercial application.

(b) "Small business" means a corporation, partnership, sole proprietorship, or individual, operating a business for profit, with two hundred fifty employees or fewer, including employees employed in a subsidiary or affiliated corporation, that otherwise meets the requirements of federal small business research programs.

NEW SECTION. Sec. 4. The investing in innovation account is created in the custody of the state treasurer to receive state and federal funds, grants, private gifts, or contributions to further the purpose of innovate Washington. Expenditures from the account may be used only for the purposes of the investing in innovation programs established in chapter 70.210 RCW and any other purpose consistent with this chapter. Only the executive director of innovate Washington or the executive director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. Sec. 5. A new section is added to chapter 41.06 RCW to read as follows:

In addition to the exemptions in RCW 41.06.070, this chapter does not apply to any position in or employee of innovate Washington under chapter 43.--- RCW (the new chapter created in section 19 of this act).

Sec. 6. RCW 28B.50.902 and 2009 c 151 s 4 are each amended to read as follows:

(1) The college board, in consultation with business, industry, labor, the workforce training and education coordinating board, the department of ~~((community, trade, and economic development))~~ commerce, the employment security department, and community and technical colleges, shall designate centers of excellence and allocate funds to existing and new centers of excellence based on a competitive basis.

(2) Eligible applicants for the program established under this section include community and technical colleges. Priority shall be given to applicants that have an established education and training program serving the targeted industry and that have in their home district or region an industry cluster with the same targeted industry at its core.

(3) It is the role of centers of excellence to employ strategies to:

(a) Create educational efficiencies;

(b) Build a diverse, competitive workforce for strategic industries;

(c) Maintain an institutional reputation for innovation and responsiveness;

(d) Develop innovative curriculum and means of delivering education and training;

(e) Act as brokers of information and resources related to community and technical college education and training ~~((for))~~ and assistance available for firms in a targeted industry, including working with innovate Washington to develop methods to identify businesses within a targeted industry that could benefit from the services offered by innovate Washington under chapter 43.--- RCW (the new chapter created in section 19 of this act); and

(f) Serve as partners with workforce development councils, associate development organizations, and other workforce and economic development organizations.

(4) Examples of strategies under subsection (3) of this section include but are not limited to: Sharing curriculum and other instructional resources, to ensure cost savings to the system; delivering collaborative certificate and degree programs; and holding statewide summits, seminars, conferences, and workshops on industry trends and best practices in community and technical college education and training.

Sec. 7. RCW 70.210.010 and 2003 c 403 s 1 are each amended to read as follows:

It is the intent of the legislature to promote growth in the technology sectors of our state's economy and to particularly focus support on the ~~((creation and))~~ commercialization of intellectual property ~~((in the technology, energy, and telecommunications industries))~~ and the manufacture of innovative products in the state.

Sec. 8. RCW 70.210.020 and 2003 c 403 s 2 are each amended to read as follows:

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

(1) ~~((“Center” means the Washington technology center established under RCW 28B.20.283 through 28B.20.295.~~

~~—(2))~~ “Board” means the innovate Washington board of directors ~~((for the center)).~~

(3) “Innovate Washington” means the agency created in section 1 of this act.

Sec. 9. RCW 70.210.030 and 2003 c 403 s 4 are each amended to read as follows:

(1) The investing in innovation ~~((grants))~~ program is established.

(2) ~~((The center))~~ Innovate Washington shall periodically make strategic assessments of the types of ~~((state))~~ investments in research ~~((and)),~~ technology, and industrial development in this state that would likely create new products, jobs, and business opportunities and produce the most beneficial long-term improvements to the lives and health of the citizens of the state. The assessments shall be available to the public and shall be used to guide decisions on awarding ~~((grants))~~ funds under this chapter.

Sec. 10. RCW 70.210.040 and 2003 c 403 s 5 are each amended to read as follows:

The board shall:

(1) Develop criteria for the awarding of loans or grants to qualifying universities, institutions, businesses, or individuals;

(2) Make decisions regarding distribution of ~~((grant))~~ funds ~~((and make grant awards)); ((and))~~

(3) In making ~~((grant awards, seek to provide a balance between research grant awards and commercialization grant awards))~~ funding decisions and to the extent that economic impact is not diminished, provide priority to enterprises that:

(a) Were created through, and have existing intellectual property agreements in place with, public and private research institutions in the state; and

(b) Intend to produce new products or services, develop or expand facilities, or manufacture in the state; and

(4) Specify in contracts awarding funds that recipients must utilize funding received to support operations in the state of Washington and must subsequently report on the impact of their research, development, and any subsequent production activities within Washington for a period of ten years following the award of funds, and that a failure to comply with this requirement will obligate the recipient to return the amount of the award plus interest as determined by the board.

Sec. 11. RCW 70.210.050 and 2003 c 403 s 6 are each amended to read as follows:

(1) The board may accept grant and loan proposals and establish a competitive process for the awarding of grants and loans.

(2) The board shall establish a peer review committee to include board members, scientists, engineers, and individuals with specific recognized expertise. The peer review committee shall provide to the board an independent peer review of all proposals determined to be competitive for a loan or grant award that are submitted to the board.

(3) In the awarding of grants and loans, priority shall be given to proposals that leverage additional private and public funding resources.

(4) ~~((Up to fifty percent of available funds from the investing in innovation account may be used to support commercialization opportunities for research in Washington state through an organization with commercialization expertise such as the Spokane intercollegiate research and technology institute.~~

~~—(5) The center))~~ Innovate Washington may not be a direct recipient of ~~((grant awards))~~ funding under this chapter ~~((403, Laws of 2003))~~

Sec. 12. RCW 70.210.060 and 2003 c 403 s 7 are each amended to read as follows:

The board shall establish performance benchmarks against which the program will be evaluated. The ~~((grants))~~ program shall be reviewed periodically by the board. The board shall report annually to the appropriate standing committees of the legislature on loans made and grants awarded and as appropriate on program reviews conducted by the board.

Sec. 13. RCW 70.210.070 and 2003 c 403 s 8 are each amended to read as follows:

(1) ~~((The center))~~ Innovate Washington shall administer the investing in innovation ~~((grants))~~ program.

(2) Not more than one percent of the available funds from the investing in innovation account may be used for administrative costs of the program.

Sec. 14. RCW 42.30.110 and 2010 1st sp.s. c 33 s 5 are each amended to read as follows:

(1) Nothing contained in this chapter may be construed to prevent a governing body from holding an executive session during a regular or special meeting:

(a) To consider matters affecting national security;

(b) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price;

(c) To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price.

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However, final action selling or leasing public property shall be taken in a meeting open to the public;

(d) To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs;

(e) To consider, in the case of an export trading company, financial and commercial information supplied by private persons to the export trading company;

(f) To receive and evaluate complaints or charges brought against a public officer or employee. However, upon the request of such officer or employee, a public hearing or a meeting open to the public shall be conducted upon such complaint or charge;

(g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. However, subject to RCW 42.30.140(4), discussion by a governing body of salaries, wages, and other conditions of employment to be generally applied within the agency shall occur in a meeting open to the public, and when a governing body elects to take final action hiring, setting the salary of an individual employee or class of employees, or discharging or disciplining an employee, that action shall be taken in a meeting open to the public;

(h) To evaluate the qualifications of a candidate for appointment to elective office. However, any interview of such candidate and final action appointing a candidate to elective office shall be in a meeting open to the public;

(i) To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

This subsection (1)(i) does not permit a governing body to hold an executive session solely because an attorney representing the agency is present. For purposes of this subsection (1)(i), "potential litigation" means matters protected by RPC 1.6 or RCW 5.60.060(2)(a) concerning:

(i) Litigation that has been specifically threatened to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party;

(ii) Litigation that the agency reasonably believes may be commenced by or against the agency, the governing body, or a member acting in an official capacity; or

(iii) Litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency;

(j) To consider, in the case of the state library commission or its advisory bodies, western library network prices, products, equipment, and services, when such discussion would be likely to adversely affect the network's ability to conduct business in a competitive economic climate. However, final action on these matters shall be taken in a meeting open to the public;

(k) To consider, in the case of the state investment board, financial and commercial information when the information relates to the investment of public trust or retirement funds and when public knowledge regarding the discussion would result in loss to such funds or in private loss to the providers of this information;

(l) To consider proprietary or confidential unpublished information related to the development, acquisition, or implementation of state purchased health care services as provided in RCW 41.05.026;

(m) To consider in the case of the life sciences discovery fund authority, the substance of grant applications and grant awards when

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public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information;

(n) To consider in the case of a health sciences and services authority, the substance of grant applications and grant awards when public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information;

(o) To consider in the case of innovate Washington, the substance of grant or loan applications and grant or loan awards if public knowledge regarding the discussion would reasonably be expected to result in private loss to the providers of this information.

(2) Before convening in executive session, the presiding officer of a governing body shall publicly announce the purpose for excluding the public from the meeting place, and the time when the executive session will be concluded. The executive session may be extended to a stated later time by announcement of the presiding officer.

Sec. 15. RCW 42.56.270 and 2009 c 394 s 3 are each amended to read as follows:

The following financial, commercial, and proprietary information is exempt from disclosure under this chapter:

(1) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss;

(2) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (a) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (b) highway construction or improvement as required by RCW 47.28.070;

(3) Financial and commercial information and records supplied by private persons pertaining to export services provided under chapters 43.163 and 53.31 RCW, and by persons pertaining to export projects under RCW 43.23.035;

(4) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.325, 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency;

(5) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW;

(6) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information;

(7) Financial and valuable trade information under RCW 51.36.120;

(8) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW;

(9) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010;

(10)(a) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a horse racing license submitted pursuant to RCW 67.16.260(1)(b), liquor license, gambling license, or lottery retail license;

(b) Internal control documents, independent auditors' reports and financial statements, and supporting documents: (i) Of house-banked social card game licensees required by the gambling commission pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted by tribes with an approved tribal/state compact for class III gaming;

(11) Proprietary data, trade secrets, or other information that relates to: (a) A vendor's unique methods of conducting business; (b) data unique to the product or services of the vendor; or (c) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011;

(12)(a) When supplied to and in the records of the department of ~~((community, trade, and economic development))~~ commerce:

(i) Financial and proprietary information collected from any person and provided to the department of ~~((community, trade, and economic development))~~ commerce pursuant to RCW 43.330.050(8); and

(ii) Financial or proprietary information collected from any person and provided to the department of ~~((community, trade, and economic development))~~ commerce or the office of the governor in connection with the siting, recruitment, expansion, retention, or relocation of that person's business and until a siting decision is made, identifying information of any person supplying information under this subsection and the locations being considered for siting, relocation, or expansion of a business;

(b) When developed by the department of ~~((community, trade, and economic development))~~ commerce based on information as described in (a)(i) of this subsection, any work product is not exempt from disclosure;

(c) For the purposes of this subsection, "siting decision" means the decision to acquire or not to acquire a site;

(d) If there is no written contact for a period of sixty days to the department of ~~((community, trade, and economic development))~~ commerce from a person connected with siting, recruitment, expansion, retention, or relocation of that person's business, information described in (a)(ii) of this subsection will be available to the public under this chapter;

(13) Financial and proprietary information submitted to or obtained by the department of ecology or the authority created under chapter 70.95N RCW to implement chapter 70.95N RCW;

(14) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of, grants under chapter 43.350 RCW, to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information;

(15) Financial and commercial information provided as evidence to the department of licensing as required by RCW 19.112.110 or 19.112.120, except information disclosed in aggregate form that does not permit the identification of information related to individual fuel licensees;

(16) Any production records, mineral assessments, and trade secrets submitted by a permit holder, mine operator, or landowner to the department of natural resources under RCW 78.44.085;

(17)(a) Farm plans developed by conservation districts, unless permission to release the farm plan is granted by the landowner or operator who requested the plan, or the farm plan is used for the application or issuance of a permit;

(b) Farm plans developed under chapter 90.48 RCW and not under the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to RCW 42.56.610 and 90.64.190;

(18) Financial, commercial, operations, and technical and research information and data submitted to or obtained by a health sciences and services authority in applications for, or delivery of,

grants under RCW 35.104.010 through 35.104.060, to the extent that such information, if revealed, would reasonably be expected to result in private loss to providers of this information;

(19) Information gathered under chapter 19.85 RCW or RCW 34.05.328 that can be identified to a particular business; ~~((and))~~

(20) Financial and commercial information submitted to or obtained by the University of Washington, other than information the university is required to disclose under RCW 28B.20.150, when the information relates to investments in private funds, to the extent that such information, if revealed, would reasonably be expected to result in loss to the University of Washington consolidated endowment fund or to result in private loss to the providers of this information; and

(21) Financial, commercial, operations, and technical and research information and data submitted to or obtained by innovate Washington in applications for, or delivery of, grants and loans under chapter 43.--- RCW (the new chapter created in section 19 of this act), to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information.

NEW SECTION. Sec. 16. The following acts or parts of acts are each repealed:

(1) RCW 28B.20.283 (Washington technology center--Findings) and 1995 c 399 s 25 & 1992 c 142 s 1;

(2) RCW 28B.20.285 (Washington technology center--Created--Purpose) and 2004 c 151 s 3, 2003 c 403 s 10, 1992 c 142 s 3, & 1983 1st ex.s. c 72 s 11;

(3) RCW 28B.20.287 (Washington technology center--Definitions) and 2004 c 151 s 4 & 1992 c 142 s 2;

(4) RCW 28B.20.289 (Washington technology center--Administration--Board of directors) and 2003 c 403 s 11, 1995 c 399 s 26, & 1992 c 142 s 4;

(5) RCW 28B.20.291 (Washington technology center--Support from participating institutions) and 1992 c 142 s 5;

(6) RCW 28B.20.293 (Washington technology center--Role of department of community, trade, and economic development) and 1995 c 399 s 27 & 1992 c 142 s 6;

(7) RCW 28B.20.295 (Washington technology center--Availability of facilities to other institutions) and 1992 c 142 s 7;

(8) RCW 28B.20.296 (Washington technology center--Renewable energy and energy efficiency business development--Strategic plan) and 2004 c 151 s 2;

(9) RCW 28B.20.297 (Washington technology center--Small business innovation research assistance program) and 2005 c 357 s 1;

(10) RCW 28B.38.010 (Spokane intercollegiate research and technology institute) and 2004 c 275 s 55 & 1998 c 344 s 9;

(11) RCW 28B.38.020 (Administration--Board of directors--Powers and duties) and 1998 c 344 s 10;

(12) RCW 28B.38.030 (Support from participating institutions) and 1998 c 344 s 11;

(13) RCW 28B.38.040 (Operating staff--Cooperative agreements for programs and research) and 1998 c 344 s 12;

(14) RCW 28B.38.050 (Role of department of community, trade, and economic development) and 1998 c 344 s 13;

(15) RCW 28B.38.060 (Availability of facilities to other institutions) and 1998 c 344 s 14;

(16) RCW 28B.38.070 (Authority to receive and expend funds) and 1998 c 344 s 15; and

(17) RCW 28B.38.900 (Captions not law) and 1998 c 344 s 16.

NEW SECTION. Sec. 17. (1) The Spokane intercollegiate research and technology institute and the Washington technology center are hereby abolished and the powers, duties, and functions are hereby transferred to innovate Washington. Once the board created in section 2 of this act has convened, all references to the Spokane

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intercollegiate research and technology institute or the Washington technology center in the Revised Code of Washington shall be construed to mean innovate Washington.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the Spokane intercollegiate research and technology institute or the Washington technology center shall be delivered to the custody of innovate Washington. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the Spokane intercollegiate research and technology institute or the Washington technology center shall be made available to innovate Washington. All funds, credits, or other assets held by the Spokane intercollegiate research and technology institute or the Washington technology center shall be assigned to innovate Washington.

(b) Any appropriations made to the Spokane intercollegiate research and technology institute or the Washington technology center shall, on the effective date of this section, be transferred and credited to innovate Washington.

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

(3) All employees of the Spokane intercollegiate research and technology institute or the Washington technology center are transferred to the jurisdiction of innovate Washington. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to innovate Washington to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

(4) All rules and all pending business before the Spokane intercollegiate research and technology institute or the Washington technology center shall be continued and acted upon by innovate Washington. All existing contracts and obligations shall remain in full force and shall be performed by innovate Washington.

(5) The transfer of the powers, duties, functions, and personnel of the Spokane intercollegiate research and technology institute and the Washington technology center shall not affect the validity of any act performed before the effective date of this section.

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

(7) All classified employees of the Spokane intercollegiate research and technology institute or the Washington technology center assigned to innovate Washington under this section whose positions are within an existing bargaining unit description at innovate Washington shall become a part of the existing bargaining unit at innovate Washington and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

NEW SECTION. Sec. 18. RCW 70.210.070 is recodified as a section in chapter 43.-- RCW (the new chapter created in section 19 of this act).

NEW SECTION. Sec. 19. Sections 1 through 4 and 17 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 20. This act takes effect August 1, 2011."

Senators Kastama, Baumgartner, Chase and Rockefeller spoke in favor of adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of the striking amendment by Senators Kastama and Baumgartner to Engrossed Senate Bill No. 5764.

The motion by Senator Kastama carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, beginning on line 1 of the title, after "Washington;" strike the remainder of the title and insert "amending RCW 28B.50.902, 70.210.010, 70.210.020, 70.210.030, 70.210.040, 70.210.050, 70.210.060, 70.210.070, 42.30.110, and 42.56.270; adding a new section to chapter 41.06 RCW; adding a new chapter to Title 43 RCW; recodifying RCW 70.210.070; repealing RCW 28B.20.283, 28B.20.285, 28B.20.287, 28B.20.289, 28B.20.291, 28B.20.293, 28B.20.295, 28B.20.296, 28B.20.297, 28B.38.010, 28B.38.020, 28B.38.030, 28B.38.040, 28B.38.050, 28B.38.060, 28B.38.070, and 28B.38.900; and providing an effective date."

MOTION

On motion of Senator Kastama, the rules were suspended, Second Engrossed Senate Bill No. 5764 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Kastama spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Second Engrossed Senate Bill No. 5764.

ROLL CALL

The Secretary called the roll on the final passage of Second Engrossed Senate Bill No. 5764 and the bill passed the Senate by the following vote: Yeas, 43; Nays, 0; Absent, 0; Excused, 6.

Voting yea: Senators Baumgartner, Baxter, Becker, Brown, Carrell, Chase, Conway, Eide, Ericksen, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hewitt, Hill, Hobbs, Holmquist, Newbry, Honeyford, Kastama, Keiser, Kilmer, King, Kline, Kohl-Welles, Litzow, McAuliffe, Morton, Murray, Nelson, Parlette, Pflug, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Shin, Stevens, Tom and White

Excused: Senators Benton, Delvin, Prentice, Sheldon, Swecker and Zarelli

SECOND ENGROSSED SENATE BILL NO. 5764, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

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

SECOND READING

SENATE BILL NO. 5921, by Senate Committee on Ways & Means (originally sponsored by Senators Regala and Carrell)

Revising social services programs.

MOTION

On motion of Senator Regala, Substitute Senate Bill No. 5921 was substituted for Senate Bill No. 5921 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Regala moved that the following striking amendment by Senators Regala and Carrell be adopted:

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. The legislature finds that stable and sustainable employment is the key goal of the WorkFirst and temporary assistance for needy families programs. Achieving stable and sustainable employment is a developmental process that takes time, effort, and engagement. In times of fiscal challenge, temporary assistance for needy families and WorkFirst resources must be invested in program elements that produce the best results for low-income families and the state of Washington.

The legislature further finds that the core tenets that are the foundation of Washington state's WorkFirst program are: (1) Achieving stable and successful employment; (2) recognizing the critical role that participants play in their children's development, healthy growth, and promotion of family stability; (3) developing strategies founded on the principle that WorkFirst is a transitional, not long-term, program to assist families on the pathway to self-sufficiency while holding them accountable; and (4) leveraging resources outside the funding for temporary assistance for needy families is crucial to achieving WorkFirst goals. It is the intent of the legislature, using evidence-based and research-based practices, to develop a road map to self-sufficiency for WorkFirst participants and temporary assistance for needy families recipients.

Sec. 2. RCW 74.08A.260 and 2009 c 85 s 2 are each amended to read as follows:

(1) Each recipient shall be assessed after determination of program eligibility and before referral to job search. Assessments shall be based upon factors that are critical to obtaining employment, including but not limited to education, availability of child care, history of family violence, history of substance abuse, and other factors that affect the ability to obtain employment. Assessments may be performed by the department or by a contracted entity. The assessment shall be based on a uniform, consistent, transferable format that will be accepted by all agencies and organizations serving the recipient.

(2) Based on the assessment, an individual responsibility plan shall be prepared that: (a) Sets forth an employment goal and a plan for maximizing the recipient's success at meeting the employment goal; (b) considers WorkFirst educational and training programs from which the recipient could benefit; (c) contains the obligation of the recipient to participate in the program by complying with the plan; (d) moves the recipient into full-time WorkFirst activities as quickly as possible; and (e) describes the services available to the recipient either during or after WorkFirst to enable the recipient to obtain and keep employment and to advance in the workplace and increase the recipient's wage earning potential over time.

~~((2))~~ (3) Recipients who are not engaged in work and work activities, and do not qualify for a good cause exemption under RCW 74.08A.270, shall engage in self-directed service as provided in RCW 74.08A.330.

~~((3))~~ (4) If a recipient refuses to engage in work and work activities required by the department, the family's grant shall be reduced by the recipient's share, and may, if the department determines it appropriate, be terminated.

~~((4))~~ (5) The department may waive the penalties required under subsection ~~((3))~~ (4) of this section, subject to a finding that the recipient refused to engage in work for good cause provided in RCW 74.08A.270.

~~((5) In implementing this section, the department shall assign the highest priority to the most employable clients, including adults in two-parent families and parents in single-parent families that include older preschool or school-age children to be engaged in work activities.)~~

(6) In consultation with the recipient, the department or contractor shall place the recipient into a work activity that is available in the local area where the recipient resides.

(7) Assessments conducted under this section shall include a consideration of the potential benefit to the recipient of engaging in financial literacy activities. The department shall consider the options for financial literacy activities available in the community, including information and resources available through the financial ~~(literacy)~~ education public-private partnership created under RCW 28A.300.450. The department may authorize up to ten hours of financial literacy activities as a core activity or an optional activity under WorkFirst.

(8) From July 1, 2011, through June 30, 2012, subsections (2) through (6) of this section are suspended for a recipient who is a parent or other relative personally providing care for a child under the age of six years. This suspension applies to both one and two parent families. Beginning July 1, 2012, the department shall phase in the work activity requirements that were suspended, beginning with those recipients closest to reaching the sixty-month limit of receiving temporary assistance for needy families under RCW 74.08A.010(1). The phase in shall be accomplished so that a fairly equal number of recipients required to participate in work activities are returned to those activities each month until the total number required to participate is participating by June 30, 2013. Nothing in this subsection shall prevent a recipient from participating in the WorkFirst program on a voluntary basis.

(9)(a) A legislative task force overseeing the WorkFirst program 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 of representatives shall appoint one member from each of the two largest caucuses of the house of representatives.

(iii) The governor shall appoint members representing the department of social and health services, the department of early learning, the department of commerce, the employment security department, the office of financial management, and the state board for community and technical colleges.

(iv) The task force shall choose cochairs, one from among the legislative members and one from among the executive branch members. The legislative members shall convene the initial meeting of the task force.

(b) The task force shall:

(i) Oversee the redesign of the WorkFirst program and the implementation of the statutes and budget provisions controlling the temporary assistance for needy families program;

(ii) Determine evidence-based outcome measures for the WorkFirst program;

(iii) Establish strategies most likely to result in the achievement of the outcome measures and the recipient's progress towards self-sufficiency;

(iv) Develop accountability measures for the WorkFirst recipients and the state agencies responsible for their progress toward self-sufficiency;

(v) Develop and oversee, as part of the WorkFirst redesign, the implementation of a comprehensive family assessment to be used at program entry; the use of an evaluation after completion of the family assessment which is designed to identify the appropriate work preparation activities and service levels for the recipient; and the use of a predictive modeling tool to be used to identify risk

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factors relating to a recipient's participation in the temporary assistance for needy families program and his or her employability, and especially identifying those recipients most likely to experience long stays on the program as well as those recipients likely to experience short stays on the program;

(vi) Improve the responsiveness of the WorkFirst program in meeting the employment needs of Washington businesses;

(vii) Improve individual level outcomes; and

(viii) Support families in developing skills that lead to a stable family environment and reduce intergenerational poverty.

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

(d) Between July 1, 2011, and June 30, 2012, the task force shall meet monthly to focus on the redesign of the WorkFirst program. The task force shall report its initial findings and recommendations to the governor and the legislature no later than July 30, 2012.

(e) From July 1, 2012, to June 30, 2014, the task force will meet quarterly. During this time period the responsibilities of the task force shall be to:

(i) Provide ongoing review of the implementation of the WorkFirst redesign process and modify the program to ensure that it is achieving results for its clients;

(ii) Jointly decide how the temporary assistance for needy families state and federal dollars will be spent;

(iii) Make recommendations to the governor and the legislature regarding necessary changes to the program;

(iv) Receive regular reports from the partner agencies on the impact of program reductions;

(v) Receive regular reports on the characteristics of the families who have been unsuccessful on the program and have lost their benefits either through sanction or the sixty-month time limit;

(vi) Review and make recommendations on the implementation of federal changes to the temporary assistance for needy families program; and

(vii) Issue annual reports regarding its work.

(f) During its tenure, the task force will receive regular reports on the partner agencies' progress toward the outcome goals and it will advise the governor and the legislature on child care and temporary assistance for needy families policies to improve the effectiveness of the WorkFirst program over time.

(g) This subsection (9) expires June 30, 2014.

Sec. 3. RCW 74.08A.290 and 1997 c 58 s 316 are each amended to read as follows:

(1) ~~(It is the intent of the legislature that)~~ On or before July 1, 2012, the department ~~(is authorized to)~~ shall engage in competitive contracting using performance-based contracts to provide all WorkFirst work activities ~~(authorized in chapter 58, Laws of 1997, including the job search component authorized in section 312 of this act)~~. All contracted services procured pursuant to this chapter are expressly mandated in accordance with RCW 41.06.142(3) and shall not be subject to the processes set forth in RCW 41.06.142 (1), (4), and (5).

(2) The department ~~(may)~~ shall use competitive performance-based contracting to select ~~(which vendors will participate)~~ the public or private vendors to provide services in the WorkFirst program. WorkFirst services provided by partner agencies shall also be pursuant to performance-based contracts. Performance-based contracts shall be awarded based on factors that include but are not limited to the criteria listed in RCW 74.08A.410, past performance of the contractor, demonstrated ability to perform the contract effectively, financial strength of the contractor, and merits of the proposal for services submitted by the contractor. Contracts shall be made without regard to whether the contractor is a public or private entity.

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(3) The department ~~(may)~~ shall contract for an evaluation of the competitive contracting practices and outcomes to be performed by ~~(an independent entity with expertise in government privatization and competitive strategies)~~ the Washington state institute for public policy. The evaluation shall include ~~(quarterly)~~ annual progress reports to the appropriate policy and fiscal committees of the legislature and to the governor, starting ~~(at the first quarter after the effective date of the first competitive contract and ending two years after the effective date of the first competitive contract)~~ June 30, 2012.

(4) The department shall work with the WorkFirst task force to develop appropriate outcomes by which the contractors performance will be measured. The outcomes shall be developed no later than November 30, 2011.

(5) The department shall seek independent assistance in developing contracting strategies to implement this section. Assistance may include but is not limited to development of contract language, design of requests for proposal, developing full cost information on government services, evaluation of bids, and providing for equal competition between private and public entities.

NEW SECTION. Sec. 4. A new section is added to chapter 74.12 RCW to read as follows:

The department may adopt rules establishing income eligibility for temporary assistance for needy families benefits for a child, other than a foster child, who lives with a caregiver other than his or her parents. The department shall establish a sliding scale benefit standard for a child when the income of the child's caregiver is above two hundred percent but below three hundred percent of the federal poverty level based on family size. A caregiver with an income above three hundred percent of the federal poverty level shall not be eligible for temporary assistance for needy families benefits for a child, not a foster child, who is residing with that caregiver.

NEW SECTION. Sec. 5. A new section is added to chapter 74.08A RCW to read as follows:

In determining the income eligibility of an applicant or recipient for temporary assistance for needy families or WorkFirst, the department shall not count the federal supplemental security income received by a household member.

Sec. 6. RCW 74.08A.010 and 2004 c 54 s 4 are each amended to read as follows:

(1) A family that includes an adult who has received temporary assistance for needy families for sixty months after July 27, 1997, shall be ineligible for further temporary assistance for needy families assistance. For purposes of this section, "adult" includes undocumented parents receiving temporary assistance for needy families on behalf of their biological children who are United States citizens.

(2) For the purposes of applying the rules of this section, the department shall count any month in which an adult family member received a temporary assistance for needy families cash assistance grant unless the assistance was provided when the family member was a minor child and not the head of the household or married to the head of the household.

(3) The department shall refer recipients who require specialized assistance to appropriate department programs, crime victims' programs through the department of ~~(community, trade, and economic development)~~ commerce, or the crime victims' compensation program of the department of labor and industries.

(4) The department may exempt a recipient and the recipient's family from the application of subsection (1) of this section by reason of hardship or if the recipient meets the family violence options of section 402(A)(7) of Title IVA of the federal social security act as amended by P.L. 104-193. ~~(The number of recipients and their families exempted from subsection (1) of this~~

~~section for a fiscal year shall not exceed twenty percent of the average monthly number of recipients and their families to which assistance is provided under the temporary assistance for needy families program.)~~

(5) The department shall not exempt a recipient and his or her family from the application of subsection (1) of this section until after the recipient has received fifty-two months of assistance under this chapter.

(6) Beginning on October 31, 2005, the department shall provide transitional food stamp assistance for a period of five months to a household that ceases to receive temporary assistance for needy families assistance and is not in sanction status. If necessary, the department shall extend the household's food stamp certification until the end of the transition period.

Sec. 7. RCW 74.20.040 and 2007 c 143 s 5 are each amended to read as follows:

(1) Whenever the department receives an application for public assistance on behalf of a child, or the department receives an application for subsidized child care services or working connections child care services, the department or the department of early learning shall take appropriate action under the provisions of this chapter, chapter 74.20A RCW, or other appropriate statutes of this state to establish or enforce support obligations against the parent or other persons owing a duty to pay support moneys.

(2) The secretary may accept a request for support enforcement services on behalf of persons who are not recipients of public assistance and may take appropriate action to establish or enforce support obligations against the parent or other persons owing a duty to pay moneys. Requests accepted under this subsection may be conditioned upon the payment of a fee as required by subsection (6) of this section or through regulation issued by the secretary. The secretary may establish by regulation, reasonable standards and qualifications for support enforcement services under this subsection.

(3) The secretary may accept requests for support enforcement services from child support enforcement agencies in other states operating child support programs under Title IV-D of the social security act or from foreign countries, and may take appropriate action to establish and enforce support obligations, or to enforce subpoenas, information requests, orders for genetic testing, and collection actions issued by the other agency against the parent or other person owing a duty to pay support moneys, the parent or other person's employer, or any other person or entity properly subject to child support collection or information-gathering processes. The request shall contain and be accompanied by such information and documentation as the secretary may by rule require, and be signed by an authorized representative of the agency. The secretary may adopt rules setting forth the duration and nature of services provided under this subsection.

(4) The department may take action to establish, enforce, and collect a support obligation, including performing related services, under this chapter and chapter 74.20A RCW, or through the attorney general or prosecuting attorney for action under chapter 26.09, 26.18, 26.20, 26.21A, or 26.26 RCW or other appropriate statutes or the common law of this state.

(5) Whenever a support order is filed with the Washington state support registry under chapter 26.23 RCW, the department may take appropriate action under the provisions of this chapter, chapter 26.23 or 74.20A RCW, or other appropriate law of this state to establish or enforce the support obligations contained in that order against the responsible parent or other persons owing a duty to pay support moneys.

(6) The secretary, in the case of an individual who has never received assistance under a state program funded under part A and for whom the state has collected at least five hundred dollars of support, shall impose an annual fee of twenty-five dollars for each

case in which services are furnished, which shall be retained by the state from support collected on behalf of the individual, but not from the first five hundred dollars of support. The secretary may, on showing of necessity, waive or defer any such fee or cost.

(7) Fees, due and owing, may be retained from support payments directly or collected as delinquent support moneys utilizing any of the remedies in chapter 74.20 RCW, chapter 74.20A RCW, chapter 26.21A RCW, or any other remedy at law or equity available to the department or any agencies with whom it has a cooperative or contractual arrangement to establish, enforce, or collect support moneys or support obligations.

(8) The secretary may waive the fee, or any portion thereof, as a part of a compromise of disputed claims or may grant partial or total charge off of said fee if the secretary finds there are no available, practical, or lawful means by which said fee may be collected or to facilitate payment of the amount of delinquent support moneys or fees owed.

(9) The secretary shall adopt rules conforming to federal laws, including but not limited to complying with section 7310 of the federal deficit reduction act of 2005, 42 U.S.C. Sec. 654, and rules and regulations required to be observed in maintaining the state child support enforcement program required under Title IV-D of the federal social security act. The adoption of these rules shall be calculated to promote the cost-effective use of the agency's resources and not otherwise cause the agency to divert its resources from its essential functions.

Sec. 8. RCW 74.20.330 and 2007 c 143 s 6 are each amended to read as follows:

(1) Whenever public assistance is paid under a state program funded under Title IV-A of the federal social security act as amended by the personal responsibility and work opportunity reconciliation act of 1996, and the federal deficit reduction act of 2005, each applicant or recipient is deemed to have made assignment to the department of any rights to a support obligation from any other person the applicant or recipient may have in his or her own behalf or in behalf of any other family member for whom the applicant or recipient is applying for or receiving public assistance, including any unpaid support obligation or support debt which has accrued at the time the assignment is made.

(2) Payment of public assistance under a state-funded program, or a program funded under Title IV-A, IV-E, or XIX of the federal social security act as amended by the personal responsibility and work opportunity reconciliation act of 1996 shall:

(a) Operate as an assignment by operation of law; and

(b) Constitute an authorization to the department to provide the assistance recipient with support enforcement services.

(3) Payment for subsidized child care services or working connections child care services shall constitute an authorization to the department to provide the recipient of the subsidy with support enforcement services. The department is authorized to collect, but not retain, child support payments under this subsection.

(4) Effective October 1, 2008, whenever public assistance is paid under a state program funded under Title IV-A of the federal social security act as amended by the personal responsibility and work opportunity reconciliation act of 1996, and the federal deficit reduction act of 2005, a member of the family is deemed to have made an assignment to the state any right the family member may have, or on behalf of the family member receiving such assistance, to support from any other person, not exceeding the total amount of assistance paid to the family, which accrues during the period that the family receives assistance under the program.

Sec. 9. RCW 43.215.135 and 2010 c 273 s 2 are each amended to read as follows:

(1) The department shall establish and implement policies in the working connections child care program to promote stability and quality of care for children from low-income households. Policies

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for the expenditure of funds constituting the working connections child care program must be consistent with the outcome measures defined in RCW 74.08A.410 and the standards established in this section intended to promote continuity of care for children.

(2) As a condition of receiving a child care subsidy or a working connections child care subsidy, the applicant or recipient must seek child support enforcement services from the department of social and health services, division of child support, unless the department finds that the applicant or recipient has good cause not to cooperate.

(3) Except as provided in subsection (4) of this section, an applicant or recipient of a child care subsidy or a working connections child care subsidy is eligible to receive that subsidy for six months before having to recertify his or her income eligibility. The six-month certification provision applies only if enrollments in the child care subsidy or working connections child care program are capped.

(4) Beginning in fiscal year 2011, for families with children enrolled in an early childhood education and assistance program, a head start program, or an early head start program, authorizations for the working connections child care subsidy shall be effective for twelve months unless a change in circumstances necessitates reauthorization sooner than twelve months.

~~((3))~~ (5) The department, in consultation with the department of social and health services, shall report to the legislature by September 1, 2011, with:

(a) An analysis of the impact of the twelve-month authorization period on the stability of child care, program costs, and administrative savings; and

(b) Recommendations for expanding the application of the twelve-month authorization period to additional populations of children in care.

NEW SECTION. Sec. 10. A new section is added to chapter 43.215 RCW to read as follows:

The department and the department of social and health services shall jointly explore different options to track subsidized child care attendance, including methods using a land line or cellular telephone, a computer, a point of sale system, or some combination of these methods and report their recommended method to the legislature no later than December 31, 2011. Each department's recommendations must include addressing any implementation issues and timelines. The legislature shall review the recommendations and authorize implementation. The method that is chosen must interface smoothly with the current and future payment systems for subsidized child care payments.

Sec. 11. RCW 74.08.580 and 2002 c 252 s 1 are each amended to read as follows:

(1) Any person receiving public assistance is prohibited from using electronic benefit cards or cash obtained with electronic benefit cards:

(a) For the purpose of participating in any of the activities authorized under chapter 9.46 RCW;

(b) For the purpose of parimutuel wagering authorized under chapter 67.16 RCW; ~~((3))~~

(c) To purchase lottery tickets or shares authorized under chapter 67.70 RCW;

(d) For the purpose of participating in or purchasing any activities located in a tattoo, body piercing, or body art shop licensed under chapter 18.300 RCW;

(e) To purchase cigarettes as defined in RCW 82.24.010 or tobacco products as defined in RCW 82.26.010;

(f) To purchase any items regulated under Title 66 RCW; or

(g) For the purpose of purchasing or participating in any activities in any location listed in subsection (2) of this section.

(2) On or before January 1, 2012, the businesses listed in this subsection must disable the ability of ATM and point-of-sale

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machines located on their business premises to accept the electronic benefit card. The following businesses are required to comply with this mandate:

(a) Taverns licensed under RCW 66.24.330;

(b) Beer/wine specialty stores licensed under RCW 66.24.371;

(c) Nightclubs licensed under RCW 66.24.600;

(d) Contract liquor stores defined under RCW 66.04.010;

(e) Bail bond agencies regulated under chapter 18.185 RCW;

(f) Gambling establishments licensed under chapter 9.46 RCW;

(g) Tattoo, body piercing, or body art shops regulated under chapter 18.300 RCW;

(h) Adult entertainment venues with performances that contain erotic material where minors under the age of eighteen are prohibited under RCW 9.68A.150; and

(i) Any establishments where persons under the age of eighteen are not permitted.

(3) The department must notify the licensing authority of any business listed in subsection (2) of this section that such business has continued to allow the use of the electronic benefit card in violation of subsection (2) of this section.

(4) Only the recipient, an eligible member of the household, or the recipient's authorized representative may use an electronic benefit card or the benefit and such use shall only be for the respective benefit program purposes. The recipient shall not sell, or attempt to sell, exchange, or donate an electronic benefit card or any benefits to any other person or entity.

(5) Violation of subsection (1) or (4) of this section constitutes a gross misdemeanor.

(a) The department shall notify, in writing, all recipients of electronic benefit cards that any violation of subsection (1) or (4) of this section could result in civil or criminal legal proceedings and, for recipients, the forfeiture of all cash public assistance.

(b) Whenever the department receives notice that a person has violated subsection (1) or (4) of this section, the department shall notify the person in writing that the violation could result in civil or criminal legal proceedings and, for recipients, the forfeiture of all cash public assistance.

(c) The department shall assign a protective payee to the person receiving public assistance who violates subsection (1) or (4) of this section.

NEW SECTION. Sec. 12. A new section is added to chapter 66.24 RCW to read as follows:

The board shall immediately suspend the license of a business that has been issued a license under RCW 66.24.330, 66.24.371, or 66.24.600 if the board receives information that the business has not complied with RCW 74.08.580(2). If the licensee has remained otherwise eligible to be licensed, the board may reinstate the suspended license when the business has complied with RCW 74.08.580(2).

Sec. 13. RCW 66.16.041 and 2005 c 151 s 6 are each amended to read as follows:

(1) The state liquor control board shall accept bank credit card and debit cards for purchases in state liquor stores, under such rules as the board may adopt. The board shall authorize contract liquor stores appointed under RCW 66.08.050 to accept bank credit cards and debit cards for liquor purchases under this title, under such rules as the board may adopt.

(2) If a contract liquor store chooses to use credit or debit cards for liquor purchases, the board shall provide equipment and installation and maintenance of the equipment necessary to implement the use of credit and debit cards. Any equipment provided by the board to a contract liquor store for this purpose may be used only for the purchase of liquor.

(3) It is the board's responsibility to ensure that the equipment used by the contract liquor stores to accept debit or credit cards for liquor

purchases complies with the requirements of RCW 74.08.580(2) with regard to point-of-sale machines.

(4) It is the contract liquor store's responsibility to comply with the requirements of RCW 74.08.580(2) pertaining to the use of electronic benefit transfer cards in ATM machines located on the contract liquor store premises. The board shall immediately suspend the contract it has with the contract liquor store if it receives information that the store has not complied with RCW 74.08.580(2). The board may reinstate the suspended contract when the contract liquor store has complied with RCW 74.08.580(2).

NEW SECTION. Sec. 14. A new section is added to chapter 18.300 RCW to read as follows:

The department of licensing shall immediately suspend any license under this chapter if the department receives information that the license holder has not complied with RCW 74.08.580(2). If the license holder has remained otherwise eligible to be licensed, the department may reinstate the suspended license when the holder has complied with RCW 74.08.580(2).

NEW SECTION. Sec. 15. A new section is added to chapter 18.185 RCW to read as follows:

The director shall immediately suspend any license issued under this chapter if the director receives information that the license holder has not complied with RCW 74.08.580(2). If the license holder has otherwise remained eligible to be licensed, the director may reinstate the suspended license when the holder has complied with RCW 74.08.580(2).

Sec. 16. RCW 9.46.410 and 2002 c 252 s 2 are each amended to read as follows:

(1) Any licensee authorized under this chapter is prohibited from allowing the use of public assistance electronic benefit cards for the purpose of participating in any of the activities authorized under this chapter.

(2) Any licensee authorized under this chapter shall report to the department of social and health services any known violations of RCW 74.08.580.

(3) Any licensee authorized under this chapter is required to comply with RCW 74.08.580(2). If the licensee fails to comply with RCW 74.08.580(2), its license shall be immediately suspended until it complies with RCW 74.08.580(2). If the licensee remains otherwise eligible to be licensed, the commission may reinstate the license once the licensee has complied with RCW 74.08.580(2).

NEW SECTION. Sec. 17. The legislature finds that eliminating waste, fraud, and abuse of public assistance benefits should be a top priority of the department of social and health services, and this can best be reflected in a newly organized, accountable, and proactive fraud unit directly under the secretary's authority with the resources necessary to combat fraud and to ensure the confidence of the public in the critical social safety net programs it funds.

NEW SECTION. Sec. 18. A new section is added to chapter 74.04 RCW to read as follows:

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

(1) "Abuse" means any use of public assistance resources that is contrary to purposes specified in statute whether or not it is defined as a criminal act.

(2) "Disclosable information" means public information that (a) is not exempt from disclosure under chapter 42.56 RCW; and (b) does not pertain to an ongoing investigation.

(3) "Fraud" means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or herself or some other person.

(4) "Office" means the office of fraud and accountability.

(5) "Public assistance" or "public assistance programs" means public aid to persons in need including assistance grants, food

assistance, work relief, disability lifeline benefits, temporary assistance for needy families, and, for purposes of this section, working connections child care subsidies. This definition excludes medicaid and other medical programs as defined in chapter 74.09 RCW, and fraud and abuse committed by medical providers and recipients of medicaid and other medical program services.

Sec. 19. RCW 74.04.012 and 2008 c 74 s 3 are each amended to read as follows:

(1) There is established (~~(a unit)~~) an office of fraud and accountability within the department for the purpose of detection, investigation, and prosecution of any act prohibited or declared to be unlawful in the public assistance programs administered by the department. The secretary will employ qualified supervisory, legal, and investigative personnel for the program. Program staff must be qualified by training and experience.

(2) The director of the office of fraud and accountability is the head of the office and is selected by the secretary and must demonstrate suitable capacity and experience in law enforcement management, public administration, and criminal investigations. The director of the office of fraud and accountability shall:

(a) Report directly to the secretary; and

(b) Ensure that each citizen complaint, employee complaint, law enforcement complaint, and agency referral is assessed and, when risk of fraud or abuse is present, is fully investigated, and is referred for prosecution or recovery when there is substantial evidence of wrongdoing.

(3) The office shall:

(a) Conduct independent and objective investigations into allegations of fraud and abuse, make appropriate referral to law enforcement when there is substantial evidence of criminal activity, and recover overpayment whenever possible and to the greatest possible degree;

(b) Recommend policies, procedures, and best practices designed to detect and prevent fraud and abuse, and to mitigate the risk for fraud and abuse and assure that public assistance benefits are being used for their statutorily stated goals;

(c) Analyze cost-effective, best practice alternatives to the current cash benefit delivery system consistent with federal law to ensure that benefits are being used for their intended purposes; and

(d) Use best practices to determine appropriate utilization and deployment of investigative resources, ensure that resources are deployed in a balanced and effective manner, and use all available methods to gather evidence necessary for proper investigation and successful prosecution.

(4) By December 31, 2011, the office shall report to the legislature on the development of the office, identification of any barriers to meeting the stated goals of the office, and recommendations for improvements to the system and laws related to the prevention, detection, and prosecution of fraud and abuse in public assistance programs.

Sec. 20. RCW 43.20A.605 and 2009 c 549 s 5078 are each amended to read as follows:

(1) The secretary or a designee shall have full authority to administer oaths and take testimony thereunder, to issue subpoenas requiring the attendance of witnesses before him or her together with all books, memoranda, papers, and other documents, articles or instruments, and to compel the disclosure by such witnesses of all facts known to them relative to the matters under investigation.

(2) Subpoenas issued in adjudicative proceedings are governed by RCW 34.05.588(1).

(3) Subpoenas issued in the conduct of investigations required or authorized by other statutory provisions or necessary in the enforcement of other statutory provisions shall be governed by RCW 34.05.588(2).

(4) When a judicially approved subpoena is required by law, the secretary or designee may apply for and obtain a superior court

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order approving and authorizing a subpoena in advance of its issuance. The application may be made in the county where the subpoenaed person resides or is found, or in the county where the subpoenaed documents, records, or evidence are located, or in Thurston county. The application must:

(a) State that an order is sought under this section;

(b) Adequately specify the documents, records, evidence, or testimony; and

(c) Include a declaration made under oath that an investigation is being conducted for a lawfully authorized purpose related to an investigation within the department's authority and that the subpoenaed documents, records, evidence, or testimony are reasonably related to an investigation within the department's authority.

(5) When an application under subsection (4) of this section is made to the satisfaction of the court, the court must issue an order approving the subpoena. When a judicially approved subpoena is required by law, an order under this subsection constitutes authority of law for the agency to subpoena the documents, records, evidence, or testimony.

(6) The secretary or designee may seek approval and a court may issue an order under this section without prior notice to any person, including the person to whom the subpoena is directed and the person who is the subject of an investigation. An application for court approval is subject to the fee and process set forth in RCW 36.18.012(3).

NEW SECTION. Sec. 21. A new section is added to chapter 74.04 RCW to read as follows:

(1) In carrying out the provisions of this chapter, the office of fraud and accountability shall have prompt access to all individuals, records, electronic data, reports, audits, reviews, documents, and other materials available to the department of revenue, department of labor and industries, department of early learning, employment security department, department of licensing, and any other government entity that can be used to help facilitate investigations of fraud or abuse as determined necessary by the director of the office of fraud and accountability.

(2) Information gathered by the department, the office or the fraud ombudsman shall remain confidential as required by state or federal law. Whenever information or assistance requested under subsection (1) of this section is, in the judgment of the director, unreasonably refused or not provided, the director of the office of fraud and accountability must report the circumstances to the secretary immediately.

Sec. 22. RCW 49.60.210 and 1992 c 118 s 4 are each amended to read as follows:

(1) It is an unfair practice for any employer, employment agency, labor union, or other person to discharge, expel, or otherwise discriminate against any person because he or she has opposed any practices forbidden by this chapter, or because he or she has filed a charge, testified, or assisted in any proceeding under this chapter.

(2) It is an unfair practice for a government agency or government manager or supervisor to retaliate against a whistleblower as defined in chapter 42.40 RCW.

(3) It is an unfair practice for any employer, employment agency, labor union, government agency, government manager, or government supervisor to discharge, expel, discriminate, or otherwise retaliate against an individual assisting with an office of fraud and accountability investigation under RCW 74.04.012, unless the individual has willfully disregarded the truth in providing information to the office.

NEW SECTION. Sec. 23. A new section is added to chapter 43.09 RCW to read as follows:

(1) The auditor shall appoint a fraud ombudsman to audit the work of the office of fraud and accountability within the department of social and health services. The ombudsman shall review the fraud investigative work done by the office including cases filed with local prosecuting authorities. The ombudsman shall also have authority to investigate citizen complaints made to the auditor's office related to fraud or abuse in any public assistance program. The department of social and health services shall provide the ombudsman with access to any relevant records it has in its possession related to a fraud or abuse investigation as determined by the fraud ombudsman, including access to electronic benefit transfer card transaction data.

(2) The fraud ombudsman shall have access to persons within the office of fraud and accountability for purposes of interviews and evaluation.

(3) The fraud ombudsman must submit a report summarizing its auditing activities of the office of fraud and accountability to the appropriate committees of the legislature by November 30, 2012, and biennially thereafter. The office of fraud and accountability shall assist the ombudsman to the fullest extent practicable in producing this report. The report shall contain only information consistent with the requirements of chapter 42.56 RCW and any other applicable state or federal laws, including:

(a) A description of significant fraud or abuse, and of vulnerabilities or deficiencies relating to the prevention and detection of fraud or abuse in public assistance programs, discovered as a result of investigations completed during the reporting period;

(b) Recommendations for improving the activities of the office of fraud and accountability with respect to the vulnerabilities or deficiencies identified under (a) of this subsection;

(c) An identification of each significant recommendation described in the previous reports on which corrective action has, or has not, been completed;

(d) The response from the office of fraud and accountability to any of the report findings, recommendations, or information provided in the report;

(e) A summary of matters referred to prosecuting authorities during the reporting period and the charges filed and convictions entered during the reporting period that have resulted from referrals by the office of fraud and accountability; and

(f) A description of the ease of access allowed by the office of fraud and accountability to all necessary data and personnel for purposes of conducting the audit.

(4) Information gathered by department staff, the office of fraud and accountability, and the fraud ombudsman shall be safeguarded and remain confidential as required by applicable state and federal law.

NEW SECTION. Sec. 24. A new section is added to chapter 43.20A RCW to read as follows:

No later than January 1, 2012, the department shall establish an employee incentive program pilot for those employees who work directly with participants in the WorkFirst program. The pilot shall provide for eight hours of paid annual leave per year, in addition to the annual leave the employee normally accrues, for those employees who assist participants in meeting certain outcomes to be established by the department. The outcomes established must be of significance for the participant and can include achieving unsubsidized employment or the removal of a significant barrier to unsubsidized employment. The department shall report to the legislature by January 1, 2013, on the implementation of the pilot project, including how many employees received paid annual leave, what outcomes were achieved, and the savings associated with the achievement of the outcomes.

NEW SECTION. Sec. 25. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2011."

Senator Regala spoke in favor of adoption of the striking amendment.

The President declared the question before the Senate to be the adoption of the striking amendment by Senators Regala and Carrell to Substitute Senate Bill No. 5921.

The motion by Senator Regala carried and the striking amendment was adopted by voice vote.

MOTION

There being no objection, the following title amendment was adopted:

On page 1, line 1 of the title, after "services;" strike the remainder of the title and insert "amending RCW 74.08A.260, 74.08A.290, 74.08A.010, 74.20.040, 74.20.330, 43.215.135, 74.08.580, 66.16.041, 9.46.410, 74.04.012, 43.20A.605, and 49.60.210; adding a new section to chapter 74.12 RCW; adding a new section to chapter 74.08A RCW; adding a new section to chapter 43.215 RCW; adding a new section to chapter 66.24 RCW; adding a new section to chapter 18.300 RCW; adding a new section to chapter 18.185 RCW; adding new sections to chapter 74.04 RCW; adding a new section to chapter 43.09 RCW; adding a new section to chapter 43.20A RCW; creating new sections; prescribing penalties; providing an effective date; providing an expiration date; and declaring an emergency."

MOTION

On motion of Senator Regala, the rules were suspended, Engrossed Substitute Senate Bill No. 5921 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Regala, Carrell, Roach, Baxter and Brown spoke in favor of passage of the bill.

The President declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5921.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5921 and the bill passed the Senate by the following vote: Yeas, 44; Nays, 0; Absent, 0; Excused, 5.

Voting yea: Senators Baumgartner, Baxter, Becker, Brown, Carrell, Chase, Conway, Eide, Ericksen, Fain, Fraser, Hargrove, Harper, Hatfield, Haugen, Hewitt, Hill, Hobbs, Holmquist, Newbry, Honeyford, Kastama, Keiser, Kilmer, King, Kline, Kohl-Welles, Litzow, McAuliffe, Morton, Murray, Nelson, Parlette, Pflug, Pridemore, Ranker, Regala, Roach, Rockefeller, Schoesler, Shin, Stevens, Swecker, Tom and White

Excused: Senators Benton, Delvin, Prentice, Sheldon and Zarelli

ENGROSSED SUBSTITUTE SENATE BILL NO. 5921, 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 2:48 p.m., on motion of Senator Eide, the Senate adjourned until 1:00 p.m. Thursday, April 28, 2011.

BRAD OWEN, President of the Senate

THOMAS HOEMANN, Secretary of the Senate

5251-S	Other Action	1	Second Reading	9, 10
	Second Reading	1	Third Reading Final Passage	16
	Third Reading	1	9000 Harold Abbe	
	Third Reading Final Passage	2	Confirmed	2
5764			9120 Richard Van Hollebeke	
	Other Action	9	Confirmed	2
	Other Action	3	9142 Thomas Cowan	
	Second Reading	3	Confirmed	3
	Third Reading	3	9168 Jeff Johnson	
	Third Reading Final Passage	9	Introduced	1
5921-S			MESSAGE FROM GOVERNOR	
	Other Action	16	Gubernatorial Appointments	1