
ENGROSSED SECOND SUBSTITUTE SENATE BILL 5128

State of Washington

67th Legislature

2021 Regular Session

By Senate Ways & Means (originally sponsored by Senators Wellman, Wilson, C., Conway, Dhingra, Hunt, Keiser, Lovelett, Nguyen, and Saldaña)

READ FIRST TIME 02/12/21.

1 AN ACT Relating to student transportation funding during a local,
2 state, or national emergency; amending RCW 28A.160.170 and
3 28A.160.192; reenacting and amending RCW 43.84.092, 43.84.092, and
4 43.84.092; adding a new section to chapter 28A.160 RCW; adding a new
5 section to chapter 28A.710 RCW; adding a new section to chapter
6 28A.715 RCW; creating new sections; making an appropriation;
7 providing effective dates; providing expiration dates; and declaring
8 an emergency.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10 NEW SECTION. **Sec. 1.** The legislature recognizes that the
11 COVID-19 pandemic has significantly changed the delivery of education
12 across the state, as school districts transition to remote learning
13 environments to protect the health of students and staff. The
14 legislature also recognizes that the role of transportation services
15 has evolved alongside remote learning programs to help students
16 equitably access the instructional program of basic education. As
17 permitted by emergency proclamation, many school districts have
18 adapted to remote learning by transporting meals, learning materials,
19 and technology supports directly to students' homes or neighborhoods.
20 Other school districts have used transportation resources to bring

1 students to learning centers or other agencies where support services
2 are provided.

3 This flexibility has allowed school districts to creatively use
4 the resources at their disposal to equitably address the needs of
5 students during an ongoing emergency.

6 With this act, the legislature intends to temporarily suspend
7 rider eligibility criteria for an expanded list of qualifying
8 transportation services, so that all students can access necessary
9 supports during the COVID-19 emergency. The legislature also intends
10 to provide a mechanism for calculating student transportation funding
11 immediately following the COVID-19 emergency, so that the temporary
12 drop in student ridership does not impact future transportation
13 allocations. Finally, the legislature intends to appropriate
14 additional relief funds to backfill reductions in state funding
15 allocations resulting from transportation declines caused by the
16 COVID-19 emergency.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.160
18 RCW to read as follows:

19 (1) If a school or school district is providing full remote or
20 partial remote instruction under the authority of RCW 28A.150.290 due
21 to a local, state, or national emergency that causes a substantial
22 disruption to full in-person instruction then, in addition to the
23 transportation services allowed under this chapter, the district may
24 use student transportation allocations to provide the following
25 expanded services to students, regardless of whether those students
26 would qualify as eligible students under RCW 28A.160.160:

27 (a) Delivery of educational services necessary to provide
28 students with the opportunity to equitably access educational
29 services during the period of remote instruction. Delivery of
30 educational services include the transportation of materials,
31 hardware, and other supports that assist students in accessing remote
32 instruction, internet connectivity, or the curriculum;

33 (b) Delivery of meals to students; and

34 (c) Providing for the transportation of students to and from
35 learning centers or other public or private agencies where
36 educational and support services are being provided to students
37 during the period of remote instruction. "Providing for" includes the
38 provision of payments to allow students to use public transit to
39 access the educational and support services.

1 (2) Nothing in this section is intended to limit a district's
2 ability to use transportation allocations to pay for fixed
3 transportation costs, such as school bus maintenance and basic
4 administrative, regulatory, safety, or operational expenses.

5 (3) If a district provides expanded services under subsection (1)
6 of this section, the district must track by a separate accounting
7 code the expenditures incurred by the district in providing such
8 services. This data must be included in the report required under RCW
9 28A.160.170(2).

10 **Sec. 3.** RCW 28A.160.170 and 2009 c 548 s 306 are each amended to
11 read as follows:

12 Each district shall submit three times each year to the
13 superintendent of public instruction during October, February, and
14 May of each year a report containing the following:

15 (1)(a) The number of eligible students transported to and from
16 school as provided for in RCW 28A.160.150, along with identification
17 of stop locations and school locations, and (b) the number of miles
18 driven for pupil transportation services as authorized in RCW
19 28A.160.150 the previous school year; and

20 (2) Other operational data and descriptions as required by the
21 superintendent to determine allocation requirements for each
22 district. The superintendent shall require that districts separate
23 the costs of operating the program for the transportation of eligible
24 students to and from school as defined by RCW 28A.160.160(3)
25 (~~from~~), non-to-and-from-school pupil transportation costs, and
26 costs to provide expanded services under section 2(1) of this act in
27 the annual financial statement. The cost, quantity, and type of all
28 fuel purchased by school districts for use in to-and-from-school
29 transportation shall be included in the annual financial statement.

30 Each district shall submit the information required in this
31 section on a timely basis as a condition of the continuing receipt of
32 school transportation moneys.

33 **Sec. 4.** RCW 28A.160.192 and 2011 1st sp.s. c 27 s 3 are each
34 amended to read as follows:

35 (1) The superintendent of public instruction shall phase-in the
36 implementation of the distribution formula under this chapter for
37 allocating state funds to school districts for the transportation of
38 students to and from school. The phase-in shall begin no later than

1 the 2011-2013 biennium and be fully implemented by the 2013-2015
2 biennium.

3 (a) The formula must be developed and revised on an ongoing basis
4 using the major cost factors in student transportation, including
5 basic and special student loads, school district land area, average
6 distance to school, roadway miles, and number of locations served.
7 Factors must include all those site characteristics that are
8 statistically significant after analysis of the data required by the
9 revised reporting process.

10 (b) The formula must allocate funds to school districts based on
11 the average predicted costs of transporting students to and from
12 school, using a regression analysis. Only factors that are
13 statistically significant shall be used in the regression analysis.
14 Employee compensation costs included in the allowable transportation
15 expenditures used for the purpose of establishing each school
16 district's independent variable in the regression analysis shall be
17 limited to the base salary or hourly wage rates, fringe benefit
18 rates, and applicable health care rates provided in the omnibus
19 appropriations act.

20 (2) During the phase-in period, funding provided to school
21 districts for student transportation operations shall be distributed
22 on the following basis:

23 (a) Annually, each school district shall receive the lesser of
24 the previous school year's pupil transportation operations
25 allocation, or the total of allowable pupil transportation
26 expenditures identified on the previous school year's final
27 expenditure report to the state plus district indirect expenses using
28 the federal restricted indirect rate as calculated in the district
29 annual financial report;

30 (b) Annually, the amount identified in (a) of this subsection
31 shall be adjusted for any budgeted increases provided in the omnibus
32 appropriations act for salaries or fringe benefits;

33 (c) Annually, any funds appropriated by the legislature in excess
34 of the maintenance level funding amount for student transportation
35 shall be distributed among school districts on a prorated basis using
36 the difference between the amount identified in (a) adjusted by (b)
37 of this subsection and the amount determined under the formula in RCW
38 28A.160.180; and

39 (d) Allocations provided to recognize the cost of depreciation to
40 districts contracting with private carriers for student

1 transportation shall be deducted from the allowable transportation
2 expenditures in (a) of this subsection.

3 (3) If a school or school district provided full remote or
4 partial remote instruction under the authority of RCW 28A.150.290 due
5 to a local, state, or national emergency that caused a substantial
6 disruption to full in-person instruction, the superintendent of
7 public instruction may use the student transportation data from the
8 last reporting period in which the school district provided full in-
9 person instruction to calculate transportation allocations. Such data
10 may only be used until the subsequent reporting period when updated
11 ridership data is available.

12 NEW SECTION. Sec. 5. A new section is added to chapter 28A.710
13 RCW to read as follows:

14 Sections 2 and 4(3) of this act govern school operation and
15 management under RCW 28A.710.040 and apply to charter schools
16 established under this chapter.

17 NEW SECTION. Sec. 6. A new section is added to chapter 28A.715
18 RCW to read as follows:

19 Sections 2 and 4(3) of this act govern school operation and
20 management under RCW 28A.715.020 and apply to state-tribal compact
21 schools established under this chapter.

22 NEW SECTION. Sec. 7. (1) The public schools emergency
23 transportation relief account is created in the state treasury. Money
24 in the account may be spent only after appropriation. Expenditures
25 from the account may only be used to backfill reductions in state
26 funding allocations resulting from transportation declines caused by
27 a declared statewide emergency, provided that such reductions have
28 not been backfilled through receipt of federal emergency relief
29 funds, and must be attributable to documented allowable uses for
30 transportation-related services as established under section 2 of
31 this act.

32 (2) A charter school, state-tribal compact school, or school
33 district may not receive expenditures from the public schools
34 emergency transportation relief account if the school or school
35 district meets the minimum parameters for in-person learning
36 recommended by the department of health and does not offer in-person
37 learning at or above the recommended level.

1 (3) Any funds that remain in the public schools emergency
2 transportation relief account at the end of the 2021-2023 fiscal
3 biennia must be deposited into the state general fund.

4 (4) The public schools emergency transportation relief account is
5 intended to be the payor of last resort, and as such no charter
6 school, state-tribal compact school, or school district may receive
7 expenditures from the account until the school or school district has
8 demonstrated there are no available federal relief funds that can be
9 used to address allowable transportation costs.

10 NEW SECTION. **Sec. 8.** The sum of \$100,000,000 is appropriated
11 for fiscal year 2021, from the general fund account—state to the
12 public schools emergency transportation relief account created in
13 section 7 of this act for the purposes of backfilling reductions in
14 state funding allocations resulting from transportation declines
15 caused by a declared statewide emergency, provided that such
16 reductions have not been backfilled through receipt of federal
17 emergency relief funds, and must be attributable to documented
18 allowable uses for transportation-related services as established
19 under section 2 of this act.

20 **Sec. 9.** RCW 43.84.092 and 2020 c 354 s 11, 2020 c 221 s 5, 2020
21 c 103 s 7, and 2020 c 18 s 3 are each reenacted and amended to read
22 as follows:

23 (1) All earnings of investments of surplus balances in the state
24 treasury shall be deposited to the treasury income account, which
25 account is hereby established in the state treasury.

26 (2) The treasury income account shall be utilized to pay or
27 receive funds associated with federal programs as required by the
28 federal cash management improvement act of 1990. The treasury income
29 account is subject in all respects to chapter 43.88 RCW, but no
30 appropriation is required for refunds or allocations of interest
31 earnings required by the cash management improvement act. Refunds of
32 interest to the federal treasury required under the cash management
33 improvement act fall under RCW 43.88.180 and shall not require
34 appropriation. The office of financial management shall determine the
35 amounts due to or from the federal government pursuant to the cash
36 management improvement act. The office of financial management may
37 direct transfers of funds between accounts as deemed necessary to
38 implement the provisions of the cash management improvement act, and

1 this subsection. Refunds or allocations shall occur prior to the
2 distributions of earnings set forth in subsection (4) of this
3 section.

4 (3) Except for the provisions of RCW 43.84.160, the treasury
5 income account may be utilized for the payment of purchased banking
6 services on behalf of treasury funds including, but not limited to,
7 depository, safekeeping, and disbursement functions for the state
8 treasury and affected state agencies. The treasury income account is
9 subject in all respects to chapter 43.88 RCW, but no appropriation is
10 required for payments to financial institutions. Payments shall occur
11 prior to distribution of earnings set forth in subsection (4) of this
12 section.

13 (4) Monthly, the state treasurer shall distribute the earnings
14 credited to the treasury income account. The state treasurer shall
15 credit the general fund with all the earnings credited to the
16 treasury income account except:

17 (a) The following accounts and funds shall receive their
18 proportionate share of earnings based upon each account's and fund's
19 average daily balance for the period: The abandoned recreational
20 vehicle disposal account, the aeronautics account, the Alaskan Way
21 viaduct replacement project account, the ambulance transport fund,
22 the brownfield redevelopment trust fund account, the budget
23 stabilization account, the capital vessel replacement account, the
24 capitol building construction account, the Central Washington
25 University capital projects account, the charitable, educational,
26 penal and reformatory institutions account, the Chehalis basin
27 account, the Chehalis basin taxable account, the cleanup settlement
28 account, the Columbia river basin water supply development account,
29 the Columbia river basin taxable bond water supply development
30 account, the Columbia river basin water supply revenue recovery
31 account, the common school construction fund, the community forest
32 trust account, the connecting Washington account, the county arterial
33 preservation account, the county criminal justice assistance account,
34 the deferred compensation administrative account, the deferred
35 compensation principal account, the department of licensing services
36 account, the department of retirement systems expense account, the
37 developmental disabilities community (~~trust~~) services account, the
38 diesel idle reduction account, the drinking water assistance account,
39 the administrative subaccount of the drinking water assistance
40 account, the early learning facilities development account, the early

1 learning facilities revolving account, the Eastern Washington
2 University capital projects account, the education construction fund,
3 the education legacy trust account, the election account, the
4 electric vehicle account, the energy freedom account, the energy
5 recovery act account, the essential rail assistance account, The
6 Evergreen State College capital projects account, the ferry bond
7 retirement fund, the freight mobility investment account, the freight
8 mobility multimodal account, the grade crossing protective fund, the
9 public health services account, the state higher education
10 construction account, the higher education construction account, the
11 higher education retirement plan supplemental benefit fund, the
12 highway bond retirement fund, the highway infrastructure account, the
13 highway safety fund, the hospital safety net assessment fund, the
14 Interstate 405 and state route number 167 express toll lanes account,
15 the judges' retirement account, the judicial retirement
16 administrative account, the judicial retirement principal account,
17 the local leasehold excise tax account, the local real estate excise
18 tax account, the local sales and use tax account, the marine
19 resources stewardship trust account, the medical aid account, the
20 money-purchase retirement savings administrative account, the money-
21 purchase retirement savings principal account, the motor vehicle
22 fund, the motorcycle safety education account, the multimodal
23 transportation account, the multiuse roadway safety account, the
24 municipal criminal justice assistance account, the oyster reserve
25 land account, the pension funding stabilization account, the
26 perpetual surveillance and maintenance account, the pilotage account,
27 the pollution liability insurance agency underground storage tank
28 revolving account, the public employees' retirement system plan 1
29 account, the public employees' retirement system combined plan 2 and
30 plan 3 account, the public facilities construction loan revolving
31 account, the public health supplemental account, the public schools
32 emergency transportation relief account, the public works assistance
33 account, the Puget Sound capital construction account, the Puget
34 Sound ferry operations account, the Puget Sound Gateway facility
35 account, the Puget Sound taxpayer accountability account, the real
36 estate appraiser commission account, the recreational vehicle
37 account, the regional mobility grant program account, the resource
38 management cost account, the rural arterial trust account, the rural
39 mobility grant program account, the rural Washington loan fund, the
40 sexual assault prevention and response account, the site closure

1 account, the skilled nursing facility safety net trust fund, the
2 small city pavement and sidewalk account, the special category C
3 account, the special wildlife account, the state investment board
4 expense account, the state investment board commingled trust fund
5 accounts, the state patrol highway account, the state reclamation
6 revolving account, the state route number 520 civil penalties
7 account, the state route number 520 corridor account, the state
8 wildlife account, the statewide broadband account, the statewide
9 tourism marketing account, the supplemental pension account, the
10 Tacoma Narrows toll bridge account, the teachers' retirement system
11 plan 1 account, the teachers' retirement system combined plan 2 and
12 plan 3 account, the tobacco prevention and control account, the
13 tobacco settlement account, the toll facility bond retirement
14 account, the transportation 2003 account (nickel account), the
15 transportation equipment fund, the transportation future funding
16 program account, the transportation improvement account, the
17 transportation improvement board bond retirement account, the
18 transportation infrastructure account, the transportation partnership
19 account, the traumatic brain injury account, the University of
20 Washington bond retirement fund, the University of Washington
21 building account, the voluntary cleanup account, the volunteer
22 firefighters' and reserve officers' relief and pension principal
23 fund, the volunteer firefighters' and reserve officers'
24 administrative fund, the vulnerable roadway user education account,
25 the Washington judicial retirement system account, the Washington law
26 enforcement officers' and firefighters' system plan 1 retirement
27 account, the Washington law enforcement officers' and firefighters'
28 system plan 2 retirement account, the Washington public safety
29 employees' plan 2 retirement account, the Washington school
30 employees' retirement system combined plan 2 and 3 account, the
31 Washington state patrol retirement account, the Washington State
32 University building account, the Washington State University bond
33 retirement fund, the water pollution control revolving administration
34 account, the water pollution control revolving fund, the Western
35 Washington University capital projects account, the Yakima integrated
36 plan implementation account, the Yakima integrated plan
37 implementation revenue recovery account, and the Yakima integrated
38 plan implementation taxable bond account. Earnings derived from
39 investing balances of the agricultural permanent fund, the normal
40 school permanent fund, the permanent common school fund, the

1 scientific permanent fund, and the state university permanent fund
2 shall be allocated to their respective beneficiary accounts.

3 (b) Any state agency that has independent authority over accounts
4 or funds not statutorily required to be held in the state treasury
5 that deposits funds into a fund or account in the state treasury
6 pursuant to an agreement with the office of the state treasurer shall
7 receive its proportionate share of earnings based upon each account's
8 or fund's average daily balance for the period.

9 (5) In conformance with Article II, section 37 of the state
10 Constitution, no treasury accounts or funds shall be allocated
11 earnings without the specific affirmative directive of this section.

12 **Sec. 10.** RCW 43.84.092 and 2020 c 354 s 11, 2020 c 221 s 5, 2020
13 c 148 s 3, 2020 c 103 s 7, and 2020 c 18 s 3 are each reenacted and
14 amended to read as follows:

15 (1) All earnings of investments of surplus balances in the state
16 treasury shall be deposited to the treasury income account, which
17 account is hereby established in the state treasury.

18 (2) The treasury income account shall be utilized to pay or
19 receive funds associated with federal programs as required by the
20 federal cash management improvement act of 1990. The treasury income
21 account is subject in all respects to chapter 43.88 RCW, but no
22 appropriation is required for refunds or allocations of interest
23 earnings required by the cash management improvement act. Refunds of
24 interest to the federal treasury required under the cash management
25 improvement act fall under RCW 43.88.180 and shall not require
26 appropriation. The office of financial management shall determine the
27 amounts due to or from the federal government pursuant to the cash
28 management improvement act. The office of financial management may
29 direct transfers of funds between accounts as deemed necessary to
30 implement the provisions of the cash management improvement act, and
31 this subsection. Refunds or allocations shall occur prior to the
32 distributions of earnings set forth in subsection (4) of this
33 section.

34 (3) Except for the provisions of RCW 43.84.160, the treasury
35 income account may be utilized for the payment of purchased banking
36 services on behalf of treasury funds including, but not limited to,
37 depository, safekeeping, and disbursement functions for the state
38 treasury and affected state agencies. The treasury income account is
39 subject in all respects to chapter 43.88 RCW, but no appropriation is

1 required for payments to financial institutions. Payments shall occur
2 prior to distribution of earnings set forth in subsection (4) of this
3 section.

4 (4) Monthly, the state treasurer shall distribute the earnings
5 credited to the treasury income account. The state treasurer shall
6 credit the general fund with all the earnings credited to the
7 treasury income account except:

8 (a) The following accounts and funds shall receive their
9 proportionate share of earnings based upon each account's and fund's
10 average daily balance for the period: The abandoned recreational
11 vehicle disposal account, the aeronautics account, the Alaskan Way
12 viaduct replacement project account, the ambulance transport fund,
13 the brownfield redevelopment trust fund account, the budget
14 stabilization account, the capital vessel replacement account, the
15 capitol building construction account, the Central Washington
16 University capital projects account, the charitable, educational,
17 penal and reformatory institutions account, the Chehalis basin
18 account, the Chehalis basin taxable account, the cleanup settlement
19 account, the Columbia river basin water supply development account,
20 the Columbia river basin taxable bond water supply development
21 account, the Columbia river basin water supply revenue recovery
22 account, the common school construction fund, the community forest
23 trust account, the connecting Washington account, the county arterial
24 preservation account, the county criminal justice assistance account,
25 the deferred compensation administrative account, the deferred
26 compensation principal account, the department of licensing services
27 account, the department of retirement systems expense account, the
28 developmental disabilities community (~~trust~~) services account, the
29 diesel idle reduction account, the drinking water assistance account,
30 the administrative subaccount of the drinking water assistance
31 account, the early learning facilities development account, the early
32 learning facilities revolving account, the Eastern Washington
33 University capital projects account, the education construction fund,
34 the education legacy trust account, the election account, the
35 electric vehicle account, the energy freedom account, the energy
36 recovery act account, the essential rail assistance account, The
37 Evergreen State College capital projects account, the ferry bond
38 retirement fund, the fish, wildlife, and conservation account, the
39 freight mobility investment account, the freight mobility multimodal
40 account, the grade crossing protective fund, the public health

1 services account, the state higher education construction account,
2 the higher education construction account, the higher education
3 retirement plan supplemental benefit fund, the highway bond
4 retirement fund, the highway infrastructure account, the highway
5 safety fund, the hospital safety net assessment fund, the Interstate
6 405 and state route number 167 express toll lanes account, the
7 judges' retirement account, the judicial retirement administrative
8 account, the judicial retirement principal account, the limited fish
9 and wildlife account, the local leasehold excise tax account, the
10 local real estate excise tax account, the local sales and use tax
11 account, the marine resources stewardship trust account, the medical
12 aid account, the money-purchase retirement savings administrative
13 account, the money-purchase retirement savings principal account, the
14 motor vehicle fund, the motorcycle safety education account, the
15 multimodal transportation account, the multiuse roadway safety
16 account, the municipal criminal justice assistance account, the
17 oyster reserve land account, the pension funding stabilization
18 account, the perpetual surveillance and maintenance account, the
19 pilotage account, the pollution liability insurance agency
20 underground storage tank revolving account, the public employees'
21 retirement system plan 1 account, the public employees' retirement
22 system combined plan 2 and plan 3 account, the public facilities
23 construction loan revolving account, the public health supplemental
24 account, the public schools emergency transportation relief account,
25 the public works assistance account, the Puget Sound capital
26 construction account, the Puget Sound ferry operations account, the
27 Puget Sound Gateway facility account, the Puget Sound taxpayer
28 accountability account, the real estate appraiser commission account,
29 the recreational vehicle account, the regional mobility grant program
30 account, the resource management cost account, the rural arterial
31 trust account, the rural mobility grant program account, the rural
32 Washington loan fund, the sexual assault prevention and response
33 account, the site closure account, the skilled nursing facility
34 safety net trust fund, the small city pavement and sidewalk account,
35 the special category C account, the special wildlife account, the
36 state investment board expense account, the state investment board
37 commingled trust fund accounts, the state patrol highway account, the
38 state reclamation revolving account, the state route number 520 civil
39 penalties account, the state route number 520 corridor account, the
40 statewide broadband account, the statewide tourism marketing account,

1 the supplemental pension account, the Tacoma Narrows toll bridge
2 account, the teachers' retirement system plan 1 account, the
3 teachers' retirement system combined plan 2 and plan 3 account, the
4 tobacco prevention and control account, the tobacco settlement
5 account, the toll facility bond retirement account, the
6 transportation 2003 account (nickel account), the transportation
7 equipment fund, the transportation future funding program account,
8 the transportation improvement account, the transportation
9 improvement board bond retirement account, the transportation
10 infrastructure account, the transportation partnership account, the
11 traumatic brain injury account, the University of Washington bond
12 retirement fund, the University of Washington building account, the
13 voluntary cleanup account, the volunteer firefighters' and reserve
14 officers' relief and pension principal fund, the volunteer
15 firefighters' and reserve officers' administrative fund, the
16 vulnerable roadway user education account, the Washington judicial
17 retirement system account, the Washington law enforcement officers'
18 and firefighters' system plan 1 retirement account, the Washington
19 law enforcement officers' and firefighters' system plan 2 retirement
20 account, the Washington public safety employees' plan 2 retirement
21 account, the Washington school employees' retirement system combined
22 plan 2 and 3 account, the Washington state patrol retirement account,
23 the Washington State University building account, the Washington
24 State University bond retirement fund, the water pollution control
25 revolving administration account, the water pollution control
26 revolving fund, the Western Washington University capital projects
27 account, the Yakima integrated plan implementation account, the
28 Yakima integrated plan implementation revenue recovery account, and
29 the Yakima integrated plan implementation taxable bond account.
30 Earnings derived from investing balances of the agricultural
31 permanent fund, the normal school permanent fund, the permanent
32 common school fund, the scientific permanent fund, and the state
33 university permanent fund shall be allocated to their respective
34 beneficiary accounts.

35 (b) Any state agency that has independent authority over accounts
36 or funds not statutorily required to be held in the state treasury
37 that deposits funds into a fund or account in the state treasury
38 pursuant to an agreement with the office of the state treasurer shall
39 receive its proportionate share of earnings based upon each account's
40 or fund's average daily balance for the period.

1 (5) In conformance with Article II, section 37 of the state
2 Constitution, no treasury accounts or funds shall be allocated
3 earnings without the specific affirmative directive of this section.

4 **Sec. 11.** RCW 43.84.092 and 2020 c 221 s 5, 2020 c 148 s 3, 2020
5 c 103 s 7, and 2020 c 18 s 3 are each reenacted and amended to read
6 as follows:

7 (1) All earnings of investments of surplus balances in the state
8 treasury shall be deposited to the treasury income account, which
9 account is hereby established in the state treasury.

10 (2) The treasury income account shall be utilized to pay or
11 receive funds associated with federal programs as required by the
12 federal cash management improvement act of 1990. The treasury income
13 account is subject in all respects to chapter 43.88 RCW, but no
14 appropriation is required for refunds or allocations of interest
15 earnings required by the cash management improvement act. Refunds of
16 interest to the federal treasury required under the cash management
17 improvement act fall under RCW 43.88.180 and shall not require
18 appropriation. The office of financial management shall determine the
19 amounts due to or from the federal government pursuant to the cash
20 management improvement act. The office of financial management may
21 direct transfers of funds between accounts as deemed necessary to
22 implement the provisions of the cash management improvement act, and
23 this subsection. Refunds or allocations shall occur prior to the
24 distributions of earnings set forth in subsection (4) of this
25 section.

26 (3) Except for the provisions of RCW 43.84.160, the treasury
27 income account may be utilized for the payment of purchased banking
28 services on behalf of treasury funds including, but not limited to,
29 depository, safekeeping, and disbursement functions for the state
30 treasury and affected state agencies. The treasury income account is
31 subject in all respects to chapter 43.88 RCW, but no appropriation is
32 required for payments to financial institutions. Payments shall occur
33 prior to distribution of earnings set forth in subsection (4) of this
34 section.

35 (4) Monthly, the state treasurer shall distribute the earnings
36 credited to the treasury income account. The state treasurer shall
37 credit the general fund with all the earnings credited to the
38 treasury income account except:

1 (a) The following accounts and funds shall receive their
2 proportionate share of earnings based upon each account's and fund's
3 average daily balance for the period: The abandoned recreational
4 vehicle disposal account, the aeronautics account, the Alaskan Way
5 viaduct replacement project account, the brownfield redevelopment
6 trust fund account, the budget stabilization account, the capital
7 vessel replacement account, the capitol building construction
8 account, the Central Washington University capital projects account,
9 the charitable, educational, penal and reformatory institutions
10 account, the Chehalis basin account, the Chehalis basin taxable
11 account, the cleanup settlement account, the Columbia river basin
12 water supply development account, the Columbia river basin taxable
13 bond water supply development account, the Columbia river basin water
14 supply revenue recovery account, the common school construction fund,
15 the community forest trust account, the connecting Washington
16 account, the county arterial preservation account, the county
17 criminal justice assistance account, the deferred compensation
18 administrative account, the deferred compensation principal account,
19 the department of licensing services account, the department of
20 retirement systems expense account, the developmental disabilities
21 community (~~trust~~) services account, the diesel idle reduction
22 account, the drinking water assistance account, the administrative
23 subaccount of the drinking water assistance account, the early
24 learning facilities development account, the early learning
25 facilities revolving account, the Eastern Washington University
26 capital projects account, the education construction fund, the
27 education legacy trust account, the election account, the electric
28 vehicle account, the energy freedom account, the energy recovery act
29 account, the essential rail assistance account, The Evergreen State
30 College capital projects account, the ferry bond retirement fund, the
31 fish, wildlife, and conservation account, the freight mobility
32 investment account, the freight mobility multimodal account, the
33 grade crossing protective fund, the public health services account,
34 the state higher education construction account, the higher education
35 construction account, the higher education retirement plan
36 supplemental benefit fund, the highway bond retirement fund, the
37 highway infrastructure account, the highway safety fund, the hospital
38 safety net assessment fund, the Interstate 405 and state route number
39 167 express toll lanes account, the judges' retirement account, the
40 judicial retirement administrative account, the judicial retirement

1 principal account, the limited fish and wildlife account, the local
2 leasehold excise tax account, the local real estate excise tax
3 account, the local sales and use tax account, the marine resources
4 stewardship trust account, the medical aid account, the money-
5 purchase retirement savings administrative account, the money-
6 purchase retirement savings principal account, the motor vehicle
7 fund, the motorcycle safety education account, the multimodal
8 transportation account, the multiuse roadway safety account, the
9 municipal criminal justice assistance account, the oyster reserve
10 land account, the pension funding stabilization account, the
11 perpetual surveillance and maintenance account, the pilotage account,
12 the pollution liability insurance agency underground storage tank
13 revolving account, the public employees' retirement system plan 1
14 account, the public employees' retirement system combined plan 2 and
15 plan 3 account, the public facilities construction loan revolving
16 account, the public health supplemental account, the public schools
17 emergency transportation relief account, the public works assistance
18 account, the Puget Sound capital construction account, the Puget
19 Sound ferry operations account, the Puget Sound Gateway facility
20 account, the Puget Sound taxpayer accountability account, the real
21 estate appraiser commission account, the recreational vehicle
22 account, the regional mobility grant program account, the resource
23 management cost account, the rural arterial trust account, the rural
24 mobility grant program account, the rural Washington loan fund, the
25 sexual assault prevention and response account, the site closure
26 account, the skilled nursing facility safety net trust fund, the
27 small city pavement and sidewalk account, the special category C
28 account, the special wildlife account, the state investment board
29 expense account, the state investment board commingled trust fund
30 accounts, the state patrol highway account, the state reclamation
31 revolving account, the state route number 520 civil penalties
32 account, the state route number 520 corridor account, the statewide
33 broadband account, the statewide tourism marketing account, the
34 supplemental pension account, the Tacoma Narrows toll bridge account,
35 the teachers' retirement system plan 1 account, the teachers'
36 retirement system combined plan 2 and plan 3 account, the tobacco
37 prevention and control account, the tobacco settlement account, the
38 toll facility bond retirement account, the transportation 2003
39 account (nickel account), the transportation equipment fund, the
40 transportation future funding program account, the transportation

1 improvement account, the transportation improvement board bond
2 retirement account, the transportation infrastructure account, the
3 transportation partnership account, the traumatic brain injury
4 account, the University of Washington bond retirement fund, the
5 University of Washington building account, the voluntary cleanup
6 account, the volunteer firefighters' and reserve officers' relief and
7 pension principal fund, the volunteer firefighters' and reserve
8 officers' administrative fund, the vulnerable roadway user education
9 account, the Washington judicial retirement system account, the
10 Washington law enforcement officers' and firefighters' system plan 1
11 retirement account, the Washington law enforcement officers' and
12 firefighters' system plan 2 retirement account, the Washington public
13 safety employees' plan 2 retirement account, the Washington school
14 employees' retirement system combined plan 2 and 3 account, the
15 Washington state patrol retirement account, the Washington State
16 University building account, the Washington State University bond
17 retirement fund, the water pollution control revolving administration
18 account, the water pollution control revolving fund, the Western
19 Washington University capital projects account, the Yakima integrated
20 plan implementation account, the Yakima integrated plan
21 implementation revenue recovery account, and the Yakima integrated
22 plan implementation taxable bond account. Earnings derived from
23 investing balances of the agricultural permanent fund, the normal
24 school permanent fund, the permanent common school fund, the
25 scientific permanent fund, and the state university permanent fund
26 shall be allocated to their respective beneficiary accounts.

27 (b) Any state agency that has independent authority over accounts
28 or funds not statutorily required to be held in the state treasury
29 that deposits funds into a fund or account in the state treasury
30 pursuant to an agreement with the office of the state treasurer shall
31 receive its proportionate share of earnings based upon each account's
32 or fund's average daily balance for the period.

33 (5) In conformance with Article II, section 37 of the state
34 Constitution, no treasury accounts or funds shall be allocated
35 earnings without the specific affirmative directive of this section.

36 NEW SECTION. **Sec. 12.** Section 9 of this act expires July 1,
37 2021.

1 NEW SECTION. **Sec. 13.** Section 10 of this act is necessary for
2 the immediate preservation of the public peace, health, or safety, or
3 support of the state government and its existing public institutions,
4 and takes effect July 1, 2021.

5 NEW SECTION. **Sec. 14.** Section 10 of this act expires July 1,
6 2024.

7 NEW SECTION. **Sec. 15.** Section 11 of this act takes effect July
8 1, 2024.

9 NEW SECTION. **Sec. 16.** Sections 1 through 9 of this act are
10 necessary for the immediate preservation of the public peace, health,
11 or safety, or support of the state government and its existing public
12 institutions, and takes effect immediately.

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