
SUBSTITUTE HOUSE BILL 2754

State of Washington

59th Legislature

2006 Regular Session

By House Committee on State Government Operations & Accountability (originally sponsored by Representatives Morrell, Campbell, Green, Haigh, Appleton, Kilmer, Darneille, Cox, Ormsby, Haler, Chase, P. Sullivan, McCoy, Wallace, Sells, Serben, Curtis, Moeller, Blake, Cody, Kenney, Conway, Ericks, Clibborn, Kessler, Simpson and Linville)

READ FIRST TIME 01/31/06.

1 AN ACT Relating to creation of the veterans innovations program;
2 amending RCW 43.60A.010; reenacting and amending RCW 43.84.092 and
3 43.84.092; adding new sections to chapter 43.60A RCW; adding new
4 sections to chapter 43.131 RCW; making appropriations; providing an
5 effective date; and providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that:

8 (1) A significant number of Washington citizens answered the call
9 to serve our country in recent military action leaving behind families,
10 community, employment, and education;

11 (2) Many soldiers returning to their families and communities face
12 transition problems in areas such as family reunification, employment,
13 education, and health;

14 (3) While the Washington state department of veterans affairs has
15 provided services to many returning soldiers, a significant number have
16 returned to families and communities without continuing ties to the
17 military department or veterans' administration, but still in need of
18 help; and

1 (4) Our state needs to honor and serve those who have protected our
2 security and safety.

3 **Sec. 2.** RCW 43.60A.010 and 1975-'76 2nd ex.s. c 115 s 1 are each
4 amended to read as follows:

5 As used in this chapter the following words and phrases shall have
6 the following meanings unless the context clearly requires otherwise:

- 7 (1) "Department" means the department of veterans affairs((+)).
- 8 (2) "Director" means the director of the department of veterans
9 affairs((+)).
- 10 (3) "Committee" means the veterans affairs advisory committee.
- 11 (4) "Board" means the veterans innovations program board.

12 NEW SECTION. **Sec. 3.** There is created in the department a
13 veterans innovations program, which consists of the defenders' fund and
14 the competitive grant program. The purpose of the veterans innovations
15 program is to provide crisis and emergency relief and education,
16 training, and employment assistance to veterans and their families in
17 their communities.

18 NEW SECTION. **Sec. 4.** The defenders' fund is created to provide
19 assistance to members of the Washington national guard and reservists
20 who served in Operation Enduring Freedom, Operation Iraqi Freedom, or
21 Operation Noble Eagle, and who are experiencing financial hardships in
22 employment, education, housing, and health care due to the significant
23 period of time away from home serving our country. The program shall
24 be administered by the department. Eligibility determinations shall be
25 made by the department. Eligible veterans may receive a one-time grant
26 of no more than five hundred dollars.

27 NEW SECTION. **Sec. 5.** The competitive grant program is created to
28 fund innovative initiatives to provide crisis and emergency relief,
29 education, training, and employment assistance to veterans and their
30 families in their communities.

- 31 (1) The veterans innovations program board is created to exercise
32 the powers granted under sections 1 and 3 through 8 of this act related
33 to the competitive grant program.

1 (a) The board consists of seven citizens of the state, appointed by
2 the governor, with recognized experience in serving veterans and their
3 families in the community regarding transition and readjustment issues;
4 education, training, and employment needs; and other needs experienced
5 by veterans and their families stemming from service to their country.

6 (b) The members of the board select the chair.

7 (c) The department shall provide staff support to the board.

8 (d) Members of the board receive no compensation but shall be
9 reimbursed for travel expenses as provided in RCW 43.03.050 and
10 43.03.060.

11 (2) The board shall:

12 (a) Establish a competitive process to solicit proposals for and
13 prioritize project applications for potential funding. The purpose of
14 the proposals shall be in three categories:

15 (i) Crisis and emergency relief;

16 (ii) Education, training, and employment assistance; and

17 (iii) Community outreach and resources;

18 (b) Provide financial assistance for the following types of
19 projects and activities including, but not limited to:

20 (i) Proposals that have innovative and effective ways to help
21 veterans and their families in need in their communities, including
22 improving community support for families;

23 (ii) Allowing counties to better serve their veterans;

24 (iii) Addressing health issues affecting the well-being of
25 families;

26 (iv) Tapping into existing community resources to aid veterans and
27 their families;

28 (v) Linking assistance with other benefits, especially federal
29 benefits, to maximize the effort to help the veteran and offset the
30 pressure on state and local resources;

31 (vi) Assisting veterans to be more employable to benefit
32 themselves, their families, and their community;

33 (c) Prescribe the form and manner of the grant application and may
34 request applicants to identify nonstate matching funds available for
35 the project;

36 (d) Establish a peer review committee to provide an independent
37 peer review of all proposals submitted that are determined to be

1 competitive for a grant award. The board shall review findings of the
2 peer review committee when making final grant allocation decisions;

3 (e) Establish technical resource committees as needed to provide
4 expertise and to coordinate the effort and prevent overlap of effort.
5 The committee may include state agencies including veterans affairs,
6 employment security, community, trade, and economic development, and
7 the governor's office, as well as private and nonprofit organizations;

8 (f) Develop the prioritized list through open and public meetings;

9 (g) Establish performance measures to evaluate the board's
10 activities and grants awarded; and

11 (h) Report annually to the appropriate standing committees of the
12 legislature and to the joint committee on veterans and military affairs
13 on the implementation of sections 1 and 3 through 8 of this act. The
14 report must include, but is not limited to, information on the number
15 of applications for assistance, the grant amount awarded each project,
16 a description of each project, and performance measures of the program.
17 The first report must be submitted by December 31, 2006.

18 NEW SECTION. **Sec. 6.** (1) The department may receive gifts,
19 grants, or endowments from public or private sources that are made from
20 time to time, in trust or otherwise, for the use and benefit of the
21 purposes of the defenders' fund and the competitive grant program and
22 spend gifts, grants, or endowments or income from the public or private
23 sources according to their terms, unless the receipt of the gifts,
24 grants, or endowments violates RCW 42.17.710.

25 (2) The department may adopt rules under chapter 34.05 RCW as
26 necessary to carry out the purposes of sections 1 and 3 through 8 of
27 this act.

28 (3) The department may perform all acts and functions as necessary
29 or convenient to carry out the powers expressly granted or implied
30 under this act.

31 NEW SECTION. **Sec. 7.** In addition to other applicable provisions
32 of law pertaining to conflicts of interest of public officials, no
33 board member, appointive or otherwise, may participate in any decision
34 on any board contract in which the board member has any interests,
35 direct or indirect, with any entity that would be the recipient of any
36 aid under this chapter.

1 NEW SECTION. **Sec. 8.** The veterans innovations program account is
2 created in the state treasury. Moneys in the account may be spent only
3 after appropriation. Expenditures from the account may be used only
4 for purposes of the veterans innovations program.

5 **Sec. 9.** RCW 43.84.092 and 2005 c 514 s 1105, 2005 c 353 s 3, 2005
6 c 339 s 22, 2005 c 314 s 109, 2005 c 312 s 7, and 2005 c 94 s 1 are
7 each reenacted and amended to read as follows:

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

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

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

34 (4) Monthly, the state treasurer shall distribute the earnings
35 credited to the treasury income account. The state treasurer shall
36 credit the general fund with all the earnings credited to the treasury
37 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 capitol building
4 construction account, the Cedar River channel construction and
5 operation account, the Central Washington University capital projects
6 account, the charitable, educational, penal and reformatory
7 institutions account, the common school construction fund, the county
8 criminal justice assistance account, the county sales and use tax
9 equalization account, the data processing building construction
10 account, the deferred compensation administrative account, the deferred
11 compensation principal account, the department of retirement systems
12 expense account, the developmental disabilities community trust
13 account, the drinking water assistance account, the drinking water
14 assistance administrative account, the drinking water assistance
15 repayment account, the Eastern Washington University capital projects
16 account, the education construction fund, the education legacy trust
17 account, the election account, the emergency reserve fund, The
18 Evergreen State College capital projects account, the federal forest
19 revolving account, the freight mobility investment account, the health
20 services account, the public health services account, the health system
21 capacity account, the personal health services account, the state
22 higher education construction account, the higher education
23 construction account, the highway infrastructure account, the high-
24 occupancy toll lanes operations account, the industrial insurance
25 premium refund account, the judges' retirement account, the judicial
26 retirement administrative account, the judicial retirement principal
27 account, the local leasehold excise tax account, the local real estate
28 excise tax account, the local sales and use tax account, the medical
29 aid account, the mobile home park relocation fund, the multimodal
30 transportation account, the municipal criminal justice assistance
31 account, the municipal sales and use tax equalization account, the
32 natural resources deposit account, the oyster reserve land account, the
33 perpetual surveillance and maintenance account, the public employees'
34 retirement system plan 1 account, the public employees' retirement
35 system combined plan 2 and plan 3 account, the public facilities
36 construction loan revolving account beginning July 1, 2004, the public
37 health supplemental account, the Puyallup tribal settlement account,
38 the real estate appraiser commission account, the regional

1 transportation investment district account, the resource management
2 cost account, the rural Washington loan fund, the site closure account,
3 the small city pavement and sidewalk account, the special wildlife
4 account, the state employees' insurance account, the state employees'
5 insurance reserve account, the state investment board expense account,
6 the state investment board commingled trust fund accounts, the
7 supplemental pension account, the Tacoma Narrows toll bridge account,
8 the teachers' retirement system plan 1 account, the teachers'
9 retirement system combined plan 2 and plan 3 account, the tobacco
10 prevention and control account, the tobacco settlement account, the
11 transportation infrastructure account, the transportation partnership
12 account, the tuition recovery trust fund, the University of Washington
13 bond retirement fund, the University of Washington building account,
14 the veterans innovations program account, the volunteer fire fighters'
15 and reserve officers' relief and pension principal fund, the volunteer
16 fire fighters' and reserve officers' administrative fund, the
17 Washington fruit express account, the Washington judicial retirement
18 system account, the Washington law enforcement officers' and fire
19 fighters' system plan 1 retirement account, the Washington law
20 enforcement officers' and fire fighters' system plan 2 retirement
21 account, the Washington school employees' retirement system combined
22 plan 2 and 3 account, the Washington state health insurance pool
23 account, the Washington state patrol retirement account, the Washington
24 State University building account, the Washington State University bond
25 retirement fund, the water pollution control revolving fund, and the
26 Western Washington University capital projects account. Earnings
27 derived from investing balances of the agricultural permanent fund, the
28 normal school permanent fund, the permanent common school fund, the
29 scientific permanent fund, and the state university permanent fund
30 shall be allocated to their respective beneficiary accounts. All
31 earnings to be distributed under this subsection (4)(a) shall first be
32 reduced by the allocation to the state treasurer's service fund
33 pursuant to RCW 43.08.190.

34 (b) The following accounts and funds shall receive eighty percent
35 of their proportionate share of earnings based upon each account's or
36 fund's average daily balance for the period: The aeronautics account,
37 the aircraft search and rescue account, the county arterial
38 preservation account, the department of licensing services account, the

1 essential rail assistance account, the ferry bond retirement fund, the
2 grade crossing protective fund, the high capacity transportation
3 account, the highway bond retirement fund, the highway safety account,
4 the motor vehicle fund, the motorcycle safety education account, the
5 pilotage account, the public transportation systems account, the Puget
6 Sound capital construction account, the Puget Sound ferry operations
7 account, the recreational vehicle account, the rural arterial trust
8 account, the safety and education account, the special category C
9 account, the state patrol highway account, the transportation 2003
10 account (nickel account), the transportation equipment fund, the
11 transportation fund, the transportation improvement account, the
12 transportation improvement board bond retirement account, and the urban
13 arterial trust account.

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

17 **Sec. 10.** RCW 43.84.092 and 2005 c 514 s 1106, 2005 c 353 s 4, 2005
18 c 339 s 23, 2005 c 314 s 110, 2005 c 312 s 8, and 2005 c 94 s 2 are
19 each reenacted and amended to read as follows:

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

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

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

9 (4) Monthly, the state treasurer shall distribute the earnings
10 credited to the treasury income account. The state treasurer shall
11 credit the general fund with all the earnings credited to the treasury
12 income account except:

13 (a) The following accounts and funds shall receive their
14 proportionate share of earnings based upon each account's and fund's
15 average daily balance for the period: The capitol building
16 construction account, the Cedar River channel construction and
17 operation account, the Central Washington University capital projects
18 account, the charitable, educational, penal and reformatory
19 institutions account, the common school construction fund, the county
20 criminal justice assistance account, the county sales and use tax
21 equalization account, the data processing building construction
22 account, the deferred compensation administrative account, the deferred
23 compensation principal account, the department of retirement systems
24 expense account, the developmental disabilities community trust
25 account, the drinking water assistance account, the drinking water
26 assistance administrative account, the drinking water assistance
27 repayment account, the Eastern Washington University capital projects
28 account, the education construction fund, the education legacy trust
29 account, the election account, the emergency reserve fund, The
30 Evergreen State College capital projects account, the federal forest
31 revolving account, the freight mobility investment account, the health
32 services account, the public health services account, the health system
33 capacity account, the personal health services account, the state
34 higher education construction account, the higher education
35 construction account, the highway infrastructure account, the high-
36 occupancy toll lanes operations account, the industrial insurance
37 premium refund account, the judges' retirement account, the judicial
38 retirement administrative account, the judicial retirement principal

1 account, the local leasehold excise tax account, the local real estate
2 excise tax account, the local sales and use tax account, the medical
3 aid account, the mobile home park relocation fund, the multimodal
4 transportation account, the municipal criminal justice assistance
5 account, the municipal sales and use tax equalization account, the
6 natural resources deposit account, the oyster reserve land account, the
7 perpetual surveillance and maintenance account, the public employees'
8 retirement system plan 1 account, the public employees' retirement
9 system combined plan 2 and plan 3 account, the public facilities
10 construction loan revolving account beginning July 1, 2004, the public
11 health supplemental account, the public works assistance account, the
12 Puyallup tribal settlement account, the real estate appraiser
13 commission account, the regional transportation investment district
14 account, the resource management cost account, the rural Washington
15 loan fund, the site closure account, the small city pavement and
16 sidewalk account, the special wildlife account, the state employees'
17 insurance account, the state employees' insurance reserve account, the
18 state investment board expense account, the state investment board
19 commingled trust fund accounts, the supplemental pension account, the
20 Tacoma Narrows toll bridge account, the teachers' retirement system
21 plan 1 account, the teachers' retirement system combined plan 2 and
22 plan 3 account, the tobacco prevention and control account, the tobacco
23 settlement account, the transportation infrastructure account, the
24 transportation partnership account, the tuition recovery trust fund,
25 the University of Washington bond retirement fund, the University of
26 Washington building account, the veterans innovations program account,
27 the volunteer fire fighters' and reserve officers' relief and pension
28 principal fund, the volunteer fire fighters' and reserve officers'
29 administrative fund, the Washington fruit express account, the
30 Washington judicial retirement system account, the Washington law
31 enforcement officers' and fire fighters' system plan 1 retirement
32 account, the Washington law enforcement officers' and fire fighters'
33 system plan 2 retirement account, the Washington public safety
34 employees' plan 2 retirement account, the Washington school employees'
35 retirement system combined plan 2 and 3 account, the Washington state
36 health insurance pool account, the Washington state patrol retirement
37 account, the Washington State University building account, the
38 Washington State University bond retirement fund, the water pollution

1 control revolving fund, and the Western Washington University capital
2 projects account. Earnings derived from investing balances of the
3 agricultural permanent fund, the normal school permanent fund, the
4 permanent common school fund, the scientific permanent fund, and the
5 state university permanent fund shall be allocated to their respective
6 beneficiary accounts. All earnings to be distributed under this
7 subsection (4)(a) shall first be reduced by the allocation to the state
8 treasurer's service fund pursuant to RCW 43.08.190.

9 (b) The following accounts and funds shall receive eighty percent
10 of their proportionate share of earnings based upon each account's or
11 fund's average daily balance for the period: The aeronautics account,
12 the aircraft search and rescue account, the county arterial
13 preservation account, the department of licensing services account, the
14 essential rail assistance account, the ferry bond retirement fund, the
15 grade crossing protective fund, the high capacity transportation
16 account, the highway bond retirement fund, the highway safety account,
17 the motor vehicle fund, the motorcycle safety education account, the
18 pilotage account, the public transportation systems account, the Puget
19 Sound capital construction account, the Puget Sound ferry operations
20 account, the recreational vehicle account, the rural arterial trust
21 account, the safety and education account, the special category C
22 account, the state patrol highway account, the transportation 2003
23 account (nickel account), the transportation equipment fund, the
24 transportation fund, the transportation improvement account, the
25 transportation improvement board bond retirement account, and the urban
26 arterial trust account.

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

30 NEW SECTION. **Sec. 11.** A new section is added to chapter 43.131
31 RCW to read as follows:

32 The veterans innovations program and its powers and duties shall be
33 terminated on June 30, 2016, as provided in section 12 of this act.

34 NEW SECTION. **Sec. 12.** A new section is added to chapter 43.131
35 RCW to read as follows:

1 The following acts or parts of acts, as now existing or hereafter
2 amended, are each repealed, effective June 30, 2017.

- 3 (1) Section 1 of this act;
- 4 (2) Section 3 of this act;
- 5 (3) Section 4 of this act;
- 6 (4) Section 5 of this act;
- 7 (5) Section 6 of this act;
- 8 (6) Section 7 of this act; and
- 9 (7) Section 8 of this act.

10 NEW SECTION. **Sec. 13.** The sum of ten million dollars, or as much
11 thereof as may be necessary, is appropriated from the state general
12 fund for the fiscal year ending June 30, 2006, solely for deposit in
13 the veterans innovations program account created in section 8 of this
14 act.

15 NEW SECTION. **Sec. 14.** The sum of six million dollars, or as much
16 thereof as may be necessary, is appropriated for the fiscal biennium
17 ending June 30, 2007, from the veterans innovations program account to
18 the department of veterans affairs solely for the purposes of this act.
19 Of this amount, two million dollars is provided solely for the
20 defenders' fund in section 4 of this act and four million dollars is
21 provided solely for the competitive grant program in section 5 of this
22 act.

23 NEW SECTION. **Sec. 15.** Sections 1 and 3 through 8 of this act are
24 each added to chapter 43.60A RCW.

25 NEW SECTION. **Sec. 16.** (1) Section 9 of this act expires July 1,
26 2006.

27 (2) Section 10 of this act takes effect July 1, 2006.

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