

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 2327**

Chapter 518, Laws of 2009  
(partial veto)

61st Legislature  
2009 Regular Session

STATE AGENCY REPORTS--ELIMINATION AND REDUCTION

EFFECTIVE DATE: 07/26/09

Passed by the House April 23, 2009  
Yeas 94 Nays 0

FRANK CHOPP

\_\_\_\_\_  
**Speaker of the House of Representatives**

Passed by the Senate April 20, 2009  
Yeas 46 Nays 1

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Approved May 15, 2009, 2:41 p.m., with  
the exception of Section 7 which is  
vetoed.

CHRISTINE GREGOIRE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of  
the House of Representatives of  
the State of Washington, do hereby  
certify that the attached is  
**ENGROSSED SUBSTITUTE HOUSE BILL  
2327** as passed by the House of  
Representatives and the Senate on  
the dates hereon set forth.

BARBARA BAKER

\_\_\_\_\_  
**Chief Clerk**

FILED

May 18, 2009

**Secretary of State  
State of Washington**



1 representing mortgage brokers and loan originators. At least three of  
2 the commission members shall be mortgage brokers licensed under this  
3 chapter, at least one shall be exempt from licensure under RCW  
4 19.146.020(1)(g), and at least two of the commission members shall be  
5 licensed loan originators under this chapter. No commission member  
6 shall be appointed who has had less than five years' experience in the  
7 business of residential mortgage lending. In addition, the director or  
8 a designee shall serve as an ex officio, nonvoting member of the  
9 commission. Voting members of the commission shall serve for two-year  
10 terms. The department shall provide staff support to the commission.

11 (3) The commission may establish a code of conduct for its members.  
12 Any commissioner may bring a motion before the commission to remove a  
13 commissioner for failing to conduct themselves in a manner consistent  
14 with the code of conduct. The motion shall be in the form of a  
15 recommendation to the director to dismiss a specific commissioner and  
16 shall enumerate causes for doing so. The commissioner in question  
17 shall recuse himself or herself from voting on any such motion. Any  
18 such motion must be approved unanimously by the remaining six  
19 commissioners. Approved motions shall be immediately transmitted to  
20 the director for review and action.

21 (4) Members of the commission shall be reimbursed for their travel  
22 expenses incurred in carrying out the provisions of this chapter in  
23 accordance with RCW 43.03.050 and 43.03.060. All costs and expenses  
24 associated with the commission shall be paid from the financial  
25 services regulation fund, unless the consumer services account is  
26 created as a dedicated, nonappropriated account, in which case all  
27 costs and expenses shall be paid from the consumer services account.

28 (5) The commission shall advise the director on the characteristics  
29 and needs of the mortgage broker profession.

30 (6) The department, in consultation with other applicable agencies  
31 of state government, shall conduct a continuing review of the number  
32 and type of consumer complaints arising from residential mortgage  
33 lending in the state. ~~((The department shall report its findings to  
34 the — senate — committee — on — financial — institutions — and — house — of  
35 representatives committee on financial institutions and insurance along  
36 with recommendations for any changes in the licensing requirements of  
37 this chapter, biennially by December 1st of each even numbered year.))~~



1 This data may be incorporated into the existing accounting system  
2 or into a separate project management system, as deemed appropriate by  
3 the office of financial management.

4 ~~(5) ((The office of financial management shall publish agency  
5 annual maintenance summary reports beginning in October 1997. State  
6 agencies shall submit a separate report for each major campus or site,  
7 as defined by the office of financial management. Reports shall be  
8 prepared in a format prescribed by the office of financial management  
9 and shall include, but not be limited to: Information describing the  
10 number, size, and condition of state-owned facilities; facility  
11 maintenance, repair, and operating expenses paid from the state  
12 operating and capital budgets, including maintenance staffing levels;  
13 the condition of major infrastructure systems; and maintenance  
14 management initiatives undertaken by the agency over the prior year.  
15 Agencies shall submit their annual maintenance summary reports to the  
16 office of financial management by September 1 each year.~~

17 ~~(6))~~ The office of financial management, prior to approving  
18 allotments for major capital construction projects valued over five  
19 million dollars, shall institute procedures for reviewing such projects  
20 at the predesign stage that will reduce long-term costs and increase  
21 facility efficiency. The procedures shall include, but not be limited  
22 to, the following elements:

23 (a) Evaluation of facility program requirements and consistency  
24 with long-range plans;

25 (b) Utilization of a system of cost, quality, and performance  
26 standards to compare major capital construction projects; and

27 (c) A requirement to incorporate value-engineering analysis and  
28 constructability review into the project schedule.

29 ~~((7))~~ (6) No expenditure may be incurred or obligation entered  
30 into for such major capital construction projects including, without  
31 exception, land acquisition, site development, predesign, design,  
32 construction, and equipment acquisition and installation, until the  
33 allotment of the funds to be expended has been approved by the office  
34 of financial management. This limitation does not prohibit the  
35 continuation of expenditures and obligations into the succeeding  
36 biennium for projects for which allotments have been approved in the  
37 immediate prior biennium.

1       (~~(+8)~~) (7) If at any time during the fiscal period the governor  
2 projects a cash deficit in a particular fund or account as defined by  
3 RCW 43.88.050, the governor shall make across-the-board reductions in  
4 allotments for that particular fund or account so as to prevent a cash  
5 deficit, unless the legislature has directed the liquidation of the  
6 cash deficit over one or more fiscal periods. Except for the  
7 legislative and judicial branches and other agencies headed by elective  
8 officials, the governor shall review the statement of proposed  
9 operating expenditures for reasonableness and conformance with  
10 legislative intent. The governor may request corrections of proposed  
11 allotments submitted by the legislative and judicial branches and  
12 agencies headed by elective officials if those proposed allotments  
13 contain significant technical errors. Once the governor approves the  
14 proposed allotments, further revisions may at the request of the office  
15 of financial management or upon the agency's initiative be made on a  
16 quarterly basis and must be accompanied by an explanation of the  
17 reasons for significant changes. However, changes in appropriation  
18 level authorized by the legislature, changes required by across-the-  
19 board reductions mandated by the governor, changes caused by executive  
20 increases to spending authority, and changes caused by executive  
21 decreases to spending authority for failure to comply with the  
22 provisions of chapter 36.70A RCW may require additional revisions.  
23 Revisions shall not be made retroactively. However, the governor may  
24 assign to a reserve status any portion of an agency appropriation  
25 withheld as part of across-the-board reductions made by the governor  
26 and any portion of an agency appropriation conditioned on a contingent  
27 event by the appropriations act. The governor may remove these amounts  
28 from reserve status if the across-the-board reductions are subsequently  
29 modified or if the contingent event occurs. The director of financial  
30 management shall enter approved statements of proposed expenditures  
31 into the state budgeting, accounting, and reporting system within  
32 forty-five days after receipt of the proposed statements from the  
33 agencies. If an agency or the director of financial management is  
34 unable to meet these requirements, the director of financial management  
35 shall provide a timely explanation in writing to the legislative fiscal  
36 committees.

37       (~~(+9)~~) (8) It is expressly provided that all agencies shall be  
38 required to maintain accounting records and to report thereon in the

1 manner prescribed in this chapter and under the regulations issued  
2 pursuant to this chapter. Within ninety days of the end of the fiscal  
3 year, all agencies shall submit to the director of financial management  
4 their final adjustments to close their books for the fiscal year.  
5 Prior to submitting fiscal data, written or oral, to committees of the  
6 legislature, it is the responsibility of the agency submitting the data  
7 to reconcile it with the budget and accounting data reported by the  
8 agency to the director of financial management.

9 ~~((+10+))~~ (9) The director of financial management may exempt  
10 certain public funds from the allotment controls established under this  
11 chapter if it is not practical or necessary to allot the funds.  
12 Allotment control exemptions expire at the end of the fiscal biennium  
13 for which they are granted. The director of financial management shall  
14 report any exemptions granted under this subsection to the legislative  
15 fiscal committees.

16 **Sec. 4.** RCW 13.60.110 and 1999 c 168 s 2 are each amended to read  
17 as follows:

18 (1) A task force on missing and exploited children is established  
19 in the Washington state patrol. The task force shall be under the  
20 direction of the chief of the state patrol.

21 (2) The task force is authorized to assist law enforcement  
22 agencies, upon request, in cases involving missing or exploited  
23 children by:

24 (a) Direct assistance and case management;

25 (b) Technical assistance;

26 (c) Personnel training;

27 (d) Referral for assistance from local, state, national, and  
28 international agencies; and

29 (e) Coordination and information sharing among local, state,  
30 interstate, and federal law enforcement and social service agencies.

31 (3) To maximize the efficiency and effectiveness of state resources  
32 and to improve interagency cooperation, the task force shall, where  
33 feasible, use existing facilities, systems, and staff made available by  
34 the state patrol and other local, state, interstate, and federal law  
35 enforcement and social service agencies. The chief of the state patrol  
36 may employ such additional personnel as are necessary for the work of  
37 the task force and may share personnel costs with other agencies.

1 (4) The chief of the state patrol shall seek public and private  
2 grants and gifts to support the work of the task force.

3 ~~(5) ((By December 1, 2001, and annually thereafter, the chief of~~  
4 ~~the state patrol shall submit a report to the appropriate committees of~~  
5 ~~the legislature. The report shall establish performance measurements~~  
6 ~~and objectives for the task force and assess the accomplishments of the~~  
7 ~~task force.~~

8 (+6)) For the purposes of RCW 13.60.100 through 13.60.120,  
9 "exploited children" means children under the age of eighteen who are  
10 employed, used, persuaded, induced, enticed, or coerced to engage in,  
11 or assist another person to engage in, sexually explicit conduct.  
12 "Exploited children" also means the rape, molestation, or use for  
13 prostitution of children under the age of eighteen.

14 **Sec. 5.** RCW 74.13.036 and 2003 c 207 s 2 are each amended to read  
15 as follows:

16 (1) The department of social and health services shall oversee  
17 implementation of chapter 13.34 RCW and chapter 13.32A RCW. The  
18 oversight shall be comprised of working with affected parts of the  
19 criminal justice and child care systems as well as with local  
20 government, legislative, and executive authorities to effectively carry  
21 out these chapters. The department shall work with all such entities  
22 to ensure that chapters 13.32A and 13.34 RCW are implemented in a  
23 uniform manner throughout the state.

24 (2) The department shall develop a plan and procedures, in  
25 cooperation with the statewide advisory committee, to insure the full  
26 implementation of the provisions of chapter 13.32A RCW. Such plan and  
27 procedures shall include but are not limited to:

28 (a) Procedures defining and delineating the role of the department  
29 and juvenile court with regard to the execution of the child in need of  
30 services placement process;

31 (b) Procedures for designating department staff responsible for  
32 family reconciliation services;

33 (c) Procedures assuring enforcement of contempt proceedings in  
34 accordance with RCW 13.32A.170 and 13.32A.250; and

35 (d) Procedures for the continued education of all individuals in  
36 the criminal juvenile justice and child care systems who are affected



1 by chapter 13.32A RCW, as well as members of the legislative and  
2 executive branches of government.

3 There shall be uniform application of the procedures developed by  
4 the department and juvenile court personnel, to the extent practicable.  
5 Local and regional differences shall be taken into consideration in the  
6 development of procedures required under this subsection.

7 (3) In addition to its other oversight duties, the department  
8 shall:

9 (a) Identify and evaluate resource needs in each region of the  
10 state;

11 (b) Disseminate information collected as part of the oversight  
12 process to affected groups and the general public;

13 (c) Educate affected entities within the juvenile justice and child  
14 care systems, local government, and the legislative branch regarding  
15 the implementation of chapters 13.32A and 13.34 RCW;

16 (d) Review complaints concerning the services, policies, and  
17 procedures of those entities charged with implementing chapters 13.32A  
18 and 13.34 RCW; and

19 (e) Report any violations and misunderstandings regarding the  
20 implementation of chapters 13.32A and 13.34 RCW.

21 ~~((4)–The–department–shall–provide–an–annual–report–to–the  
22 legislature not later than December 1 of each year only when it has  
23 declined to accept custody of a child from a law enforcement agency or  
24 it has received a report of a child being released without placement.  
25 The report shall indicate the number of times it has declined to accept  
26 custody of a child from a law enforcement agency under chapter 13.32A  
27 RCW and the number of times it has received a report of a child being  
28 released without placement under RCW 13.32A.060(1)(c). The report  
29 shall include the dates, places, and reasons the department declined to  
30 accept custody and the dates and places children are released without  
31 placement.))~~

32 **Sec. 6.** RCW 74.08A.130 and 1997 c 58 s 204 are each amended to  
33 read as follows:

34 The department shall make an affirmative effort to identify and  
35 proactively contact legal immigrants receiving public assistance to  
36 facilitate their applications for naturalization. The department shall  
37 obtain a complete list of legal immigrants in Washington who are

1 receiving correspondence regarding their eligibility from the social  
2 security administration. The department shall inform immigrants  
3 regarding how citizenship may be attained. In order to facilitate the  
4 citizenship process, the department shall coordinate and contract, to  
5 the extent necessary, with existing public and private resources and  
6 shall, within available funds, ensure that those immigrants who qualify  
7 to apply for naturalization are referred to or otherwise offered  
8 classes. The department shall assist eligible immigrants in obtaining  
9 appropriate test exemptions, and other exemptions in the naturalization  
10 process, to the extent permitted under federal law. (~~The department  
11 shall report annually by December 15th to the legislature regarding the  
12 progress and barriers of the immigrant naturalization facilitation  
13 effort. It is the intent of the legislature that persons receiving  
14 naturalization assistance be facilitated in obtaining citizenship  
15 within two years of their eligibility to apply.~~)

16 **\*Sec. 7. RCW 70.56.040 and 2008 c 136 s 2 are each amended to read**  
17 **as follows:**

18 **(1) The department shall contract with a qualified, independent**  
19 **entity to receive notifications and reports of adverse events and**  
20 **incidents, and carry out the activities specified in this section. In**  
21 **establishing qualifications for, and choosing the independent entity,**  
22 **the department shall strongly consider the patient safety organization**  
23 **criteria included in the federal patient safety and quality improvement**  
24 **act of 2005, P.L. 109-41, and any regulations adopted to implement this**  
25 **chapter.**

26 **(2) The independent entity shall:**

27 **(a) In collaboration with the department of health, establish an**  
28 **internet-based system for medical facilities and the health care**  
29 **workers of a medical facility to submit notifications and reports of**  
30 **adverse events and incidents, which shall be accessible twenty-four**  
31 **hours a day, seven days a week. The system shall be a portal to report**  
32 **both adverse events and incidents, and notifications and reports of**  
33 **adverse events shall be immediately transmitted to the department. The**  
34 **system shall be a secure system that protects the confidentiality of**  
35 **personal health information and provider and facility specific**  
36 **information submitted in notifications and reports, including**  
37 **appropriate encryption and an accurate means of authenticating the**

1 identity of users of the system. When the system becomes operational,  
2 medical facilities shall submit all notifications and reports by means  
3 of the system;

4 (b) Collect, analyze, and evaluate data regarding notifications and  
5 reports of adverse events and incidents, including the identification  
6 of performance indicators and patterns in frequency or severity at  
7 certain medical facilities or in certain regions of the state;

8 (c) Develop recommendations for changes in health care practices  
9 and procedures, which may be instituted for the purpose of reducing the  
10 number or severity of adverse events and incidents;

11 (d) Directly advise reporting medical facilities of immediate  
12 changes that can be instituted to reduce adverse events or incidents;

13 (e) Issue recommendations to medical facilities on a  
14 facility-specific or on a statewide basis regarding changes, trends,  
15 and improvements in health care practices and procedures for the  
16 purpose of reducing the number and severity of adverse events or  
17 incidents. Prior to issuing recommendations, consideration shall be  
18 given to the following factors: Expectation of improved quality of  
19 care, implementation feasibility, other relevant implementation  
20 practices, and the cost impact to patients, payers, and medical  
21 facilities. Statewide recommendations shall be issued to medical  
22 facilities on a continuing basis and shall be published and posted on  
23 a publicly accessible web site. The recommendations made to medical  
24 facilities under this section shall not be considered mandatory for  
25 licensure purposes unless they are adopted by the department as rules  
26 pursuant to chapter 34.05 RCW; and

27 (f) Monitor implementation of reporting systems addressing adverse  
28 events or their equivalent in other states and make recommendations to  
29 the governor and the legislature as necessary for modifications to this  
30 chapter to keep the system as nearly consistent as possible with  
31 similar systems in other states.

32 ~~(3)((a) The independent entity shall report no later than January~~  
33 ~~1, 2008, and annually thereafter to the governor and the legislature on~~  
34 ~~the activities under this chapter in the preceding year. The report~~  
35 ~~shall include:~~

36 ~~(i) The number of adverse events and incidents reported by medical~~  
37 ~~facilities, in the aggregate, on a geographical basis, and a summary of~~

1 ~~actions taken by facilities in response to the adverse events or~~  
2 ~~incidents;~~

3 ~~(ii) In the aggregate, the information derived from the data~~  
4 ~~collected, including any recognized trends concerning patient safety;~~

5 ~~(iii) Recommendations for statutory or regulatory changes that may~~  
6 ~~help improve patient safety in the state; and~~

7 ~~(iv) Information, presented in the aggregate, to inform and educate~~  
8 ~~consumers and providers, on best practices and prevention tools that~~  
9 ~~medical facilities are implementing to prevent adverse events as well~~  
10 ~~as other patient safety initiatives medical facilities are undertaking~~  
11 ~~to promote patient safety.~~

12 ~~(b) The annual report shall be made available for public inspection~~  
13 ~~and shall be posted on the department's and the independent entity's~~  
14 ~~web site.~~

15 ~~(4))~~ The independent entity shall conduct all activities under  
16 this section in a manner that preserves the confidentiality of  
17 facilities, documents, materials, or information made confidential by  
18 RCW 70.56.050.

19 ~~((5))~~ (4) Medical facilities and health care workers may provide  
20 notification of incidents to the independent entity. The notification  
21 shall be filed in a format specified by the independent entity, after  
22 consultation with the department and medical facilities, and shall  
23 identify the facility but shall not include any identifying information  
24 for any of the health care professionals, facility employees, or  
25 patients involved. This provision does not modify the duty of a  
26 hospital to make a report to the department or a disciplinary authority  
27 if a licensed practitioner has committed unprofessional conduct as  
28 defined in RCW 18.130.180. The protections of RCW 43.70.075 apply to  
29 notifications of incidents that are submitted in good faith by  
30 employees of medical facilities.

\*Sec. 7 was vetoed. See message at end of chapter.

31 **Sec. 8.** RCW 43.70.690 and 2005 c 462 s 4 are each amended to read  
32 as follows:

33 (1) The department, in collaboration with its public and private  
34 partners, shall design a state asthma plan, based on clinically sound  
35 criteria including nationally recognized guidelines such as those  
36 established by the national asthma education prevention partnership

1 expert panel report guidelines for the diagnosis and management of  
2 asthma.

3 (2) The plan shall include recommendations in the following areas:

4 (a) Evidence-based processes for the prevention and management of  
5 asthma;

6 (b) Data systems that support asthma prevalence reporting,  
7 including population disparities and practice variation in the  
8 treatment of asthma;

9 (c) Quality improvement strategies addressing the successful  
10 diagnosis and management of the disease; and

11 (d) Cost estimates and sources of funding for plan implementation.

12 (3) The department shall submit the completed state plan to the  
13 governor and the legislature by December 1, 2005. (~~After the initial  
14 state plan is submitted, the department shall provide progress reports  
15 to the governor and the legislature on a biennial basis beginning  
16 December 1, 2007.~~)

17 (4) The department shall implement the state plan recommendations  
18 made under subsection (2) of this section only to the extent that  
19 federal, state, or private funds, including grants, are available for  
20 that purpose.

21 **Sec. 9.** RCW 77.85.140 and 2007 c 241 s 22 are each amended to read  
22 as follows:

23 (1) Habitat project lists shall be submitted to the salmon recovery  
24 funding board for funding at least once a year on a schedule  
25 established by the board. The board shall provide the legislature with  
26 a list of the proposed projects and a list of the projects funded by  
27 October 1st of each year for informational purposes. Project sponsors  
28 who complete salmon habitat projects approved for funding from habitat  
29 project lists and have met grant application deadlines will be paid by  
30 the salmon recovery funding board within thirty days of project  
31 completion.

32 (2) The recreation and conservation office shall track all funds  
33 allocated for salmon habitat projects and salmon recovery activities on  
34 behalf of the board, including both funds allocated by the board and  
35 funds allocated by other state or federal agencies for salmon recovery  
36 or water quality improvement.



1 in the 2009-2011 fiscal biennium and each biennium thereafter, make a  
2 report to the governor showing:

3 (1) A summary of the conditions of the banks, savings banks,  
4 foreign bank branches, savings and loan associations, credit unions,  
5 consumer loan companies, check cashers and sellers, and trust companies  
6 and departments at the date of their last report; and

7 (2) A list of those organized or closed during the year.

8 The director may publish such other statements, reports, and  
9 pamphlets as he or she deems advisable.

10 **Sec. 12.** RCW 39.102.140 and 2007 c 229 s 9 are each amended to  
11 read as follows:

12 (1) A sponsoring local government shall provide a report to the  
13 board and the department by March 1st of each year. The report shall  
14 contain the following information:

15 (a) The amount of local excise tax allocation revenues, local  
16 property tax allocation revenues, other revenues from local public  
17 sources, and taxes under RCW 82.14.475 received by the sponsoring local  
18 government during the preceding calendar year that were dedicated to  
19 pay the public improvements financed in whole or in part with local  
20 infrastructure financing, and a summary of how these revenues were  
21 expended;

22 (b) The names of any businesses locating within the revenue  
23 development area as a result of the public improvements undertaken by  
24 the sponsoring local government and financed in whole or in part with  
25 local infrastructure financing;

26 (c) The total number of permanent jobs created in the revenue  
27 development area as a result of the public improvements undertaken by  
28 the sponsoring local government and financed in whole or in part with  
29 local infrastructure financing;

30 (d) The average wages and benefits received by all employees of  
31 businesses locating within the revenue development area as a result of  
32 the public improvements undertaken by the sponsoring local government  
33 and financed in whole or in part with local infrastructure financing;  
34 and

35 (e) That the sponsoring local government is in compliance with RCW  
36 39.102.070.

1 (2) The board shall make a report available to the public and the  
2 legislature by June 1st of each even-numbered year. The report shall  
3 include a list of public improvements undertaken by sponsoring local  
4 governments and financed in whole or in part with local infrastructure  
5 financing and it shall also include a summary of the information  
6 provided to the department by sponsoring local governments under  
7 subsection (1) of this section.

8 **Sec. 13.** RCW 43.336.060 and 2007 c 228 s 107 are each amended to  
9 read as follows:

10 On or before June 30th of each (~~(fiscal)~~) even-numbered year, the  
11 commission shall submit a report to the appropriate policy and fiscal  
12 committees of the house of representatives and senate that describes  
13 the tourism development program for the previous fiscal year and  
14 quantifies the financial benefits to the state. The report must  
15 contain information concerning targeted markets, benefits to different  
16 areas of the state, return on the state's investment, grants disbursed  
17 under the tourism competitive grant program, a copy of the most recent  
18 strategic plan, and other relevant information related to tourism  
19 development.

20 **Sec. 14.** RCW 43.365.040 and 2006 c 247 s 6 are each amended to  
21 read as follows:

22 (1) The legislature finds that accountability and effectiveness are  
23 important aspects of setting tax policy. In order to make policy  
24 choices regarding the best use of limited state resources the  
25 legislature needs information on how incentives are used.

26 (2) Each motion picture production receiving funding assistance  
27 under RCW 43.365.020 shall report information to the department by  
28 filing a complete annual survey. The survey is due by March 31st of  
29 the year following any calendar year in which funding assistance under  
30 RCW (~~(43.365.030)~~) 43.365.020 is taken. The department may extend the  
31 due date for timely filing of annual surveys under this section if  
32 failure to file was the result of circumstances beyond the control of  
33 the motion picture production receiving the funding assistance.

34 (3) The survey shall include the amount of funding assistance  
35 received. The survey shall also include the following information for



1 employment positions in Washington by the motion picture production  
2 receiving funding assistance, including indirect employment by  
3 contractors or other affiliates:

4 (a) The number of total employment positions;

5 (b) Full-time, part-time, and temporary employment positions as a  
6 percent of total employment;

7 (c) The number of employment positions according to the following  
8 wage bands: Less than thirty thousand dollars; thirty thousand dollars  
9 or greater, but less than sixty thousand dollars; and sixty thousand  
10 dollars or greater. A wage band containing fewer than three  
11 individuals may be combined with another wage band; and

12 (d) The number of employment positions that have employer-provided  
13 medical, dental, and retirement benefits, by each of the wage bands.

14 (4) The department may request additional information necessary to  
15 measure the results of the funding assistance program, to be submitted  
16 at the same time as the survey.

17 (5) If a person fails to submit an annual survey under subsection  
18 (2) of this section by the due date of the report or any extension the  
19 department shall declare the amount of funding assistance for the  
20 previous calendar year to be immediately due and payable. The  
21 department shall assess interest, but not penalties, on the amounts due  
22 under this section. The interest shall be assessed at the rate  
23 provided for delinquent taxes under chapter 82.32 RCW, retroactively to  
24 the date the funding assistance was received, and shall accrue until  
25 the funding assistance is repaid.

26 (6) The department shall use the information from this section to  
27 prepare summary descriptive statistics. The department shall report  
28 these statistics to the legislature each even-numbered year by  
29 September 1st. The department shall provide the complete annual  
30 surveys to the joint legislative audit and review committee.

31 **Sec. 15.** RCW 43.330.082 and 2007 c 249 s 3 are each amended to  
32 read as follows:

33 (1) Contracting associate development organizations shall provide  
34 the department with measures of their performance. Annual reports  
35 shall include information on the impact of the contracting organization  
36 on employment, wages, tax revenue, and capital investment. Specific  
37 measures shall be developed in the contracting process between the

1 department and the contracting organization every two years.  
2 Performance measures should be consistent across regions to allow for  
3 statewide evaluation.

4 (2)(a) The department and contracting organizations shall agree  
5 upon specific target levels for the performance measures in subsection  
6 (1) of this section. Comparison of agreed thresholds and actual  
7 performance shall occur annually.

8 (b) Contracting organizations that fail to achieve the agreed  
9 performance targets in more than one-half of the agreed measures shall  
10 develop remediation plans to address performance gaps. The remediation  
11 plans shall include revised performance thresholds specifically chosen  
12 to provide evidence of progress in making the identified service  
13 changes.

14 (c) Contracts and state funding shall be terminated for one year  
15 for organizations that fail to achieve the agreed upon progress toward  
16 improved performance defined under (b) of this subsection. During the  
17 year in which termination for nonperformance is in effect,  
18 organizations shall review alternative delivery strategies to include  
19 reorganization of the contracting organization, merging of previous  
20 efforts with existing regional partners, and other specific steps  
21 toward improved performance. At the end of the period of termination,  
22 the department may contract with the associate development organization  
23 or its successor as it deems appropriate.

24 (3) The department shall report to the legislature and the  
25 Washington economic development commission by December 31st of each  
26 even-numbered year on the performance results of the contracts with  
27 associate development organizations.

28 **Sec. 16.** RCW 43.155.070 and 2008 c 299 s 25 are each amended to  
29 read as follows:

30 (1) To qualify for loans or pledges under this chapter the board  
31 must determine that a local government meets all of the following  
32 conditions:

33 (a) The city or county must be imposing a tax under chapter 82.46  
34 RCW at a rate of at least one-quarter of one percent;

35 (b) The local government must have developed a capital facility  
36 plan; and

1 (c) The local government must be using all local revenue sources  
2 which are reasonably available for funding public works, taking into  
3 consideration local employment and economic factors.

4 (2) Except where necessary to address a public health need or  
5 substantial environmental degradation, a county, city, or town planning  
6 under RCW 36.70A.040 must have adopted a comprehensive plan, including  
7 a capital facilities plan element, and development regulations as  
8 required by RCW 36.70A.040. This subsection does not require any  
9 county, city, or town planning under RCW 36.70A.040 to adopt a  
10 comprehensive plan or development regulations before requesting or  
11 receiving a loan or loan guarantee under this chapter if such request  
12 is made before the expiration of the time periods specified in RCW  
13 36.70A.040. A county, city, or town planning under RCW 36.70A.040  
14 which has not adopted a comprehensive plan and development regulations  
15 within the time periods specified in RCW 36.70A.040 is not prohibited  
16 from receiving a loan or loan guarantee under this chapter if the  
17 comprehensive plan and development regulations are adopted as required  
18 by RCW 36.70A.040 before submitting a request for a loan or loan  
19 guarantee.

20 (3) In considering awarding loans for public facilities to special  
21 districts requesting funding for a proposed facility located in a  
22 county, city, or town planning under RCW 36.70A.040, the board shall  
23 consider whether the county, city, or town planning under RCW  
24 36.70A.040 in whose planning jurisdiction the proposed facility is  
25 located has adopted a comprehensive plan and development regulations as  
26 required by RCW 36.70A.040.

27 (4) The board shall develop a priority process for public works  
28 projects as provided in this section. The intent of the priority  
29 process is to maximize the value of public works projects accomplished  
30 with assistance under this chapter. The board shall attempt to assure  
31 a geographical balance in assigning priorities to projects. The board  
32 shall consider at least the following factors in assigning a priority  
33 to a project:

34 (a) Whether the local government receiving assistance has  
35 experienced severe fiscal distress resulting from natural disaster or  
36 emergency public works needs;

37 (b) Except as otherwise conditioned by RCW 43.155.110, whether the

1 entity receiving assistance is a Puget Sound partner, as defined in RCW  
2 90.71.010;

3 (c) Whether the project is referenced in the action agenda  
4 developed by the Puget Sound partnership under RCW 90.71.310;

5 (d) Whether the project is critical in nature and would affect the  
6 health and safety of a great number of citizens;

7 (e) Whether the applicant has developed and adhered to guidelines  
8 regarding its permitting process for those applying for development  
9 permits consistent with section 1(2), chapter 231, Laws of 2007;

10 (f) The cost of the project compared to the size of the local  
11 government and amount of loan money available;

12 (g) The number of communities served by or funding the project;

13 (h) Whether the project is located in an area of high unemployment,  
14 compared to the average state unemployment;

15 (i) Whether the project is the acquisition, expansion, improvement,  
16 or renovation by a local government of a public water system that is in  
17 violation of health and safety standards, including the cost of  
18 extending existing service to such a system;

19 (j) Except as otherwise conditioned by RCW 43.155.120, and  
20 effective one calendar year following the development of model  
21 evergreen community management plans and ordinances under RCW  
22 35.105.050, whether the entity receiving assistance has been  
23 recognized, and what gradation of recognition was received, in the  
24 evergreen community recognition program created in RCW 35.105.030;

25 (k) The relative benefit of the project to the community,  
26 considering the present level of economic activity in the community and  
27 the existing local capacity to increase local economic activity in  
28 communities that have low economic growth; and

29 (l) Other criteria that the board considers advisable.

30 (5) Existing debt or financial obligations of local governments  
31 shall not be refinanced under this chapter. Each local government  
32 applicant shall provide documentation of attempts to secure additional  
33 local or other sources of funding for each public works project for  
34 which financial assistance is sought under this chapter.

35 (6) Before November 1st of each even-numbered year, the board shall  
36 develop and submit to the appropriate fiscal committees of the senate  
37 and house of representatives a description of the loans made under RCW  
38 43.155.065, 43.155.068, and subsection (9) of this section during the

1 preceding fiscal year and a prioritized list of projects which are  
2 recommended for funding by the legislature, including one copy to the  
3 staff of each of the committees. The list shall include, but not be  
4 limited to, a description of each project and recommended financing,  
5 the terms and conditions of the loan or financial guarantee, the local  
6 government jurisdiction and unemployment rate, demonstration of the  
7 jurisdiction's critical need for the project and documentation of local  
8 funds being used to finance the public works project. The list shall  
9 also include measures of fiscal capacity for each jurisdiction  
10 recommended for financial assistance, compared to authorized limits and  
11 state averages, including local government sales taxes; real estate  
12 excise taxes; property taxes; and charges for or taxes on sewerage,  
13 water, garbage, and other utilities.

14 (7) The board shall not sign contracts or otherwise financially  
15 obligate funds from the public works assistance account before the  
16 legislature has appropriated funds for a specific list of public works  
17 projects. The legislature may remove projects from the list  
18 recommended by the board. The legislature shall not change the order  
19 of the priorities recommended for funding by the board.

20 (8) Subsection (7) of this section does not apply to loans made  
21 under RCW 43.155.065, 43.155.068, and subsection (9) of this section.

22 (9) Loans made for the purpose of capital facilities plans shall be  
23 exempted from subsection (7) of this section.

24 (10) To qualify for loans or pledges for solid waste or recycling  
25 facilities under this chapter, a city or county must demonstrate that  
26 the solid waste or recycling facility is consistent with and necessary  
27 to implement the comprehensive solid waste management plan adopted by  
28 the city or county under chapter 70.95 RCW.

29 (11) After January 1, 2010, any project designed to address the  
30 effects of storm water or wastewater on Puget Sound may be funded under  
31 this section only if the project is not in conflict with the action  
32 agenda developed by the Puget Sound partnership under RCW 90.71.310.

33 **Sec. 17.** RCW 43.185C.040 and 2005 c 484 s 7 are each amended to  
34 read as follows:

35 (1) Six months after the first Washington homeless census, the  
36 department shall, in consultation with the interagency council on  
37 homelessness and the affordable housing advisory board, prepare and

1 publish a ten-year homeless housing strategic plan which shall outline  
2 statewide goals and performance measures and shall be coordinated with  
3 the plan for homeless families with children required under RCW  
4 43.63A.650. To guide local governments in preparation of their first  
5 local homeless housing plans due December 31, 2005, the department  
6 shall issue by October 15, 2005, temporary guidelines consistent with  
7 this chapter and including the best available data on each community's  
8 homeless population. Local governments' ten-year homeless housing  
9 plans shall not be substantially inconsistent with the goals and  
10 program recommendations of the temporary guidelines and, when amended  
11 after 2005, the state strategic plan.

12 (2) Program outcomes and performance measures and goals shall be  
13 created by the department and reflected in the department's homeless  
14 housing strategic plan as well as interim goals against which state and  
15 local governments' performance may be measured, including:

16 (a) By the end of year one, completion of the first census as  
17 described in RCW 43.185C.030;

18 (b) By the end of each subsequent year, goals common to all local  
19 programs which are measurable and the achievement of which would move  
20 that community toward housing its homeless population; and

21 (c) By July 1, 2015, reduction of the homeless population statewide  
22 and in each county by fifty percent.

23 (3) The department shall develop a consistent statewide data  
24 gathering instrument to monitor the performance of cities and counties  
25 receiving grants in order to determine compliance with the terms and  
26 conditions set forth in the grant application or required by the  
27 department.

28 The department shall, in consultation with the interagency council  
29 on homelessness and the affordable housing advisory board, report  
30 (~~annually~~) biennially to the governor and the appropriate committees  
31 of the legislature an assessment of the state's performance in  
32 furthering the goals of the state ten-year homeless housing strategic  
33 plan and the performance of each participating local government in  
34 creating and executing a local homeless housing plan which meets the  
35 requirements of this chapter. The annual report may include  
36 performance measures such as:

37 (a) The reduction in the number of homeless individuals and  
38 families from the initial count of homeless persons;

1 (b) The number of new units available and affordable for homeless  
2 families by housing type;

3 (c) The number of homeless individuals identified who are not  
4 offered suitable housing within thirty days of their request or  
5 identification as homeless;

6 (d) The number of households at risk of losing housing who maintain  
7 it due to a preventive intervention;

8 (e) The transition time from homelessness to permanent housing;

9 (f) The cost per person housed at each level of the housing  
10 continuum;

11 (g) The ability to successfully collect data and report  
12 performance;

13 (h) The extent of collaboration and coordination among public  
14 bodies, as well as community stakeholders, and the level of community  
15 support and participation;

16 (i) The quality and safety of housing provided; and

17 (j) The effectiveness of outreach to homeless persons, and their  
18 satisfaction with the program.

19 (4) Based on the performance of local homeless housing programs in  
20 meeting their interim goals, on general population changes and on  
21 changes in the homeless population recorded in the annual census, the  
22 department may revise the performance measures and goals of the state  
23 homeless housing strategic plan, set goals for years following the  
24 initial ten-year period, and recommend changes in local governments'  
25 plans.

26 **Sec. 18.** RCW 43.63A.068 and 2007 c 384 s 6 are each amended to  
27 read as follows:

28 (1)(a) The department of community, trade, and economic development  
29 shall establish an advisory committee to monitor, guide, and report on  
30 recommendations relating to policies and programs for children and  
31 families with incarcerated parents.

32 (b) The advisory committee shall include representatives of the  
33 department of corrections, the department of social and health  
34 services, the department of early learning, the office of the  
35 superintendent of public instruction, representatives of the private  
36 nonprofit and business sectors, child advocates, representatives of  
37 Washington state Indian tribes as defined under the federal Indian

1 welfare act (25 U.S.C. Sec. 1901 et seq.), court administrators, the  
2 administrative office of the courts, the Washington association of  
3 sheriffs and police chiefs, jail administrators, the office of the  
4 governor, and others who have an interest in these issues.

5 (c) The advisory committee shall:

6 (i) Gather the data collected by the departments as required in RCW  
7 72.09.495, 74.04.800, 43.215.065, and 28A.300.520;

8 (ii) Monitor and provide consultation on the implementation of  
9 recommendations contained in the 2006 children of incarcerated parents  
10 report;

11 (iii) Identify areas of need and develop recommendations for the  
12 legislature, the department of social and health services, the  
13 department of corrections, the department of early learning, and the  
14 office of the superintendent of public instruction to better meet the  
15 needs of children and families of persons incarcerated in department of  
16 corrections facilities; and

17 (iv) Advise the department of community, trade, and economic  
18 development regarding community programs the department should fund  
19 with moneys appropriated for this purpose in the operating budget. The  
20 advisory committee shall provide recommendations to the department  
21 regarding the following:

22 (A) The goals for geographic distribution of programs and funding;

23 (B) The scope and purpose of eligible services and the priority of  
24 such services;

25 (C) Grant award funding limits;

26 (D) Entities eligible to apply for the funding;

27 (E) Whether the funding should be directed towards starting or  
28 supporting new programs, expanding existing programs, or whether the  
29 funding should be open to all eligible services and providers; and

30 (F) Other areas the advisory committee determines appropriate.

31 (d) The children of incarcerated parents advisory committee shall  
32 update the legislature and governor (~~annually~~) biennially on  
33 committee activities, with the first update due by January 1, (~~2008~~)  
34 2010.

35 (2) The department of community, trade, and economic development  
36 shall select community programs or services to receive funding that  
37 focus on children and families of inmates incarcerated in a department



1 of corrections facility and sustaining the family during the period of  
2 the inmate's incarceration.

3 (a) Programs or services which meet the needs of the children of  
4 incarcerated parents should be the greatest consideration in the  
5 programs that are identified by the department.

6 (b) The department shall consider the recommendations of the  
7 advisory committee regarding which services or programs the department  
8 should fund.

9 (c) The programs selected shall collaborate with an agency, or  
10 agencies, experienced in providing services to aid families and victims  
11 of sexual assault and domestic violence to ensure that the programs  
12 identify families who have a history of sexual assault or domestic  
13 violence and ensure the services provided are appropriate for the  
14 children and families.

15 **Sec. 19.** RCW 39.86.190 and 1987 c 297 s 10 are each amended to  
16 read as follows:

17 By February 1 of each even-numbered year, the agency shall  
18 summarize for the legislature each previous year's bond allocation  
19 requests and issuance. Beginning in June of 1988 and thereafter in  
20 June of each even-numbered year, the agency shall also submit a  
21 biennial report summarizing usage of the bond allocation proceeds and  
22 any policy concerns for future bond allocations.

23 **Sec. 20.** RCW 43.325.050 and 2006 c 171 s 7 are each amended to  
24 read as follows:

25 The director shall report to the legislature and governor on the  
26 status of the energy freedom program created under this chapter, on or  
27 before December 1, 2006, and (~~annually~~) biennially thereafter. This  
28 report must include information on the projects that have been funded,  
29 the status of these projects, and their environmental, energy savings,  
30 and job creation benefits.

31 **Sec. 21.** RCW 43.79.460 and 2009 c 4 s 902 are each amended to read  
32 as follows:

33 (1) The savings incentive account is created in the custody of the  
34 state treasurer. The account shall consist of all moneys appropriated

1 to the account by the legislature. The account is subject to the  
2 allotment procedures under chapter 43.88 RCW, but no appropriation is  
3 required for expenditures from the account.

4 (2) Within the savings incentive account, the state treasurer may  
5 create subaccounts to be credited with incentive savings attributable  
6 to individual state agencies, as determined by the office of financial  
7 management in consultation with the legislative fiscal committees.  
8 Moneys deposited in the subaccounts may be expended only on the  
9 authorization of the agency's executive head or designee and only for  
10 the purpose of one-time expenditures to improve the quality,  
11 efficiency, and effectiveness of services to customers of the state,  
12 such as one-time expenditures for employee training, employee  
13 incentives, technology improvements, new work processes, or performance  
14 measurement. Funds may not be expended from the account to establish  
15 new programs or services, expand existing programs or services, or  
16 incur ongoing costs that would require future expenditures.

17 (3) For purposes of this section, "incentive savings" means state  
18 general fund appropriations that are unspent as of June 30th of a  
19 fiscal year, excluding any amounts included in across-the-board  
20 reductions under RCW 43.88.110 and excluding unspent appropriations  
21 for:

22 (a) Caseload and enrollment in entitlement programs, except to the  
23 extent that an agency has clearly demonstrated that efficiencies have  
24 been achieved in the administration of the entitlement program.  
25 "Entitlement program," as used in this section, includes programs for  
26 which specific sums of money are appropriated for pass-through to third  
27 parties or other entities;

28 (b) Enrollments in state institutions of higher education;

29 (c) A specific amount contained in a condition or limitation to an  
30 appropriation in the biennial appropriations act, if the agency did not  
31 achieve the specific purpose or objective of the condition or  
32 limitation;

33 (d) Debt service on state obligations; and

34 (e) State retirement system obligations.

35 (4) The office of financial management, after consulting with the  
36 legislative fiscal committees, shall report (~~(to the treasurer)~~) the  
37 amount of savings incentives achieved. (~~By December 1, 1998, and each~~  
38 ~~December 1st thereafter, the office of financial management shall~~

1 ~~submit a report to the fiscal committees of the legislature on the~~  
2 ~~implementation of this section. The report shall (a) evaluate the~~  
3 ~~impact of this section on agency reversions and end of biennium~~  
4 ~~expenditure patterns, and (b) itemize agency expenditures from the~~  
5 ~~savings recovery account. The office of financial management is~~  
6 ~~relieved from having to submit a report by December 1, 2008.)~~

7 (5) For fiscal year 2009, the legislature may transfer from the  
8 savings incentive account to the state general fund such amounts as  
9 reflect the fund balance of the account attributable to unspent state  
10 general fund appropriations for fiscal year 2008.

11 **Sec. 22.** RCW 18.130.310 and 2008 c 134 s 13 are each amended to  
12 read as follows:

13 (1) Subject to RCW 40.07.040, the disciplinary authority shall  
14 submit (~~an annual~~) a biennial report to the legislature on its  
15 proceedings during the (~~year~~) biennium, detailing the number of  
16 complaints made, investigated, and adjudicated and manner of  
17 disposition. In addition, the report must provide data on the  
18 department's background check activities conducted under RCW 18.130.064  
19 and the effectiveness of those activities in identifying potential  
20 license holders who may not be qualified to practice safely. The  
21 report must summarize the distribution of the number of cases assigned  
22 to each attorney and investigator for each profession. The identity of  
23 the attorney and investigator must remain anonymous. The report may  
24 include recommendations for improving the disciplinary process,  
25 including proposed legislation. The department shall develop a uniform  
26 report format.

27 (2) Each disciplining authority identified in RCW 18.130.040(2)(b)  
28 may submit (~~an annual~~) a biennial report to complement the report  
29 required under subsection (1) of this section. Each report may provide  
30 additional information about the disciplinary activities, rule-making  
31 and policy activities, and receipts and expenditures for the individual  
32 disciplining authority.

33 **Sec. 23.** RCW 43.20.100 and 1977 c 75 s 44 are each amended to read  
34 as follows:

35 The state board of health shall (~~make an annual~~) report to the

1 governor by July 1st of each even-numbered year including therein  
2 suggestions for public health priorities for the following biennium and  
3 such legislative action as it deems necessary.

4 NEW SECTION. **Sec. 24.** A new section is added to chapter 43.01 RCW  
5 to read as follows:

6 (1)(a) All reports required to be submitted to the legislature  
7 shall be provided only in an electronic format. Reports must be  
8 submitted electronically to the chief clerk of the house of  
9 representatives and the secretary of the senate. The chief clerk of  
10 the house of representatives and the secretary of the senate shall  
11 provide an online site for reports submitted to the legislature on the  
12 legislative internet home page. The reports shall be organized in such  
13 a way as to make the reports easy to find and accessible by  
14 legislators, staff, and the public.

15 (b) Upon electronic submittal of the required report to the chief  
16 clerk of the house of representatives and the secretary of the senate,  
17 the agency shall send a letter, also by electronic means, to the  
18 appropriate legislative committee that the report has been filed. The  
19 letter may include a brief summary of the report. The public entity  
20 submitting the report may make hard copies available by request.

21 (2)(a) All annual and biennial reports to the governor shall be  
22 provided only in an electronic format. The reports shall be organized  
23 in such a way as to make the reports easy to find and accessible by the  
24 public.

25 (b) Upon electronic submittal of the required report to the  
26 governor's office, the agency shall send a letter, also by electronic  
27 means, that the report has been filed. The letter may include a brief  
28 summary of the report. The entity submitting the report may make hard  
29 copies available by request.

30 NEW SECTION. **Sec. 25.** Section 12 of this act expires June 30,  
31 2039.

32 NEW SECTION. **Sec. 26.** Section 20 of this act expires June 30,  
33 2016.

Passed by the House April 23, 2009.

Passed by the Senate April 20, 2009.

Approved by the Governor May 15, 2009, with the exception of  
certain items that were vetoed.

Filed in Office of Secretary of State May 18, 2009.

Note: Governor's explanation of partial veto is as follows:

"I have approved, except for Section 7, Engrossed Substitute House Bill 2327 entitled:

"AN ACT Relating to eliminating or reducing the frequency of reports prepared by state agencies."

Section 7 of Engrossed Substitute House Bill 2327 conflicts with Section 13 of Substitute Senate Bill 6171 that I signed on May 14, 2009. Section 7 eliminates a report on adverse events and incidents at medical facilities because there is no funding for this task. However, Section 13 of Substitute Senate Bill 6171 clarifies that this report is contingent on available funding.

For this reason, I have vetoed Section 7 of Engrossed Substitute House Bill 2327.

With the exception of Section 7, Engrossed Substitute House Bill 2327 is approved."