**2804-S.E AMS HIE S4960.2 - NOT FOR FLOOR USE**

**ESHB 2804** - S COMM AMD

By Committee on Higher Education

Strike everything after the enacting clause and insert the following:

"**Sec.**  RCW 28B.15.380 and 2015 c 46 s 1 are each amended to read as follows:

(1) Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College shall exempt the following students from the payment of all tuition fees and services and activities fees:

((~~(1)~~)) (a) Children of any law enforcement officer as defined in chapter 41.26 RCW, firefighter as defined in chapter 41.26 or 41.24 RCW, highway worker, or Washington state patrol officer who lost his or her life or became totally disabled in the line of duty while employed by any public law enforcement agency or full-time or volunteer fire department in this state, or was a highway worker while employed by a transportation agency: PROVIDED, That such persons may receive the exemption only if they begin their course of study at a state-supported college or university within ten years of their graduation from high school; ((~~and~~

~~(2)~~)) (b) Surviving spouses of any law enforcement officer as defined in chapter 41.26 RCW, firefighter as defined in chapter 41.26 or 41.24 RCW, highway worker, or Washington state patrol officer who lost his or her life or became totally disabled in the line of duty while employed by any public law enforcement agency or full-time or volunteer fire department in this state, or was a highway worker while employed by a transportation agency;

(c) Children of any highway worker who lost his or her life or became totally disabled while either employed by a general contractor or subcontractor on a transportation project. The cost of the exemption for the tuition fees and services and activities fees for the children of the deceased or disabled highway worker shall be paid from the accident fund as described in RCW 51.44.010 and shall be charged to the rate classification as established under RCW 51.16.035; and

(d) Surviving spouses of any highway worker who lost his or her life or became totally disabled while either employed by a general contractor or subcontractor on a transportation project. The cost of the exemption for the tuition fees and services and activities fees for the surviving spouse of the deceased or disabled highway worker shall be paid from the accident fund as described in RCW 51.44.010 and shall be charged to the rate classification as established under RCW 51.16.035.

((~~(3)~~)) (2) The governing boards of the state universities, the regional universities, and The Evergreen State College shall report to the education data center on the annual cost of tuition fees and services and activities fees waived for surviving spouses and children under this section. The education data center shall consolidate the reports of the waived fees and annually report to the appropriate fiscal and policy committees of the legislature.

((~~(4)~~)) (3) As used in this section, "transportation agency" means any agency, department, or division of a municipal corporation, political subdivision, or other unit of local government in this state, and any agency, department, or division of state government, having as its primary function the construction and maintenance of the highways and roads within the state of Washington. Such an agency, department, or division is distinguished from a transit agency having as one of its functions the highway maintenance, including but not limited to the state department of transportation. A transportation agency under this section does not include a government contractor.

**Sec.**  RCW 51.44.070 and 1992 c 124 s 1 are each amended to read as follows:

(1) For every case resulting in death or permanent total disability the department shall transfer on its books from the accident fund of the proper class and/or appropriate account to the "reserve fund" a sum of money for that case equal to the estimated present cash value of the monthly payments provided for it, to be calculated upon the basis of an annuity covering the payments in this title provided to be made for the case. Such annuity values shall be based upon rates of mortality, disability, remarriage, and interest as determined by the department, taking into account the experience of the reserve fund in such respects.

Similarly, a self-insurer in these circumstances shall pay into the reserve fund a sum of money computed in the same manner, and the disbursements therefrom shall be made as in other cases.

(2) As an alternative to payment procedures otherwise provided under law, in the event of death or permanent total disability to workers of self-insured employers, a self-insured employer may upon establishment of such obligation file with the department a bond, an assignment of account from a federally or state chartered commercial banking institution authorized to conduct business in the state of Washington, or purchase an annuity, in an amount deemed by the department to be reasonably sufficient to insure payment of the pension benefits provided by law. Any purchase of an annuity shall be from an institution meeting the following minimum requirements: (a) The institution must be rated no less than "A+" by A.M. Best, and no less than "AA" by Moody's and by Standard & Poor's; (b) the value of the assets of the institution must not be less than ten billion dollars; (c) not more than ten percent of the institution's assets may include bonds that are rated less than "BBB" by Moody's and Standard & Poor's; (d) not more than five percent of the assets may be held as equity in real estate; and (e) not more than twenty-five percent of the assets may be first mortgages, and not more than five percent may be second mortgages. The department shall adopt rules governing assignments of account and annuities. Such rules shall ensure that the funds are available if needed, even in the case of failure of the banking institution, the institution authorized to provide annuities, or the employer's business.

The annuity value for every such case shall be determined by the department based upon the department's experience as to rates of mortality, disability, remarriage, and interest. The amount of the required bond, assignment of account, or annuity may be reviewed and adjusted periodically by the department, based upon periodic redeterminations by the department as to the outstanding annuity value for the case.

Under such alternative, the department shall administer the payment of this obligation to the beneficiary or beneficiaries. The department shall be reimbursed for all such payments from the self-insured employer through periodic charges not less than quarterly in a manner to be determined by the director. The self-insured employer shall additionally pay to the department a deposit equal to the first three months' payments otherwise required under RCW 51.32.050 and 51.32.060. Such deposit shall be placed in the reserve fund in accordance with RCW 51.44.140 and shall be returned to the respective self-insured employer when monthly payments are no longer required for such particular obligation.

If a self-insurer delays or refuses to reimburse the department beyond fifteen days after the reimbursement charges become due, there shall be a penalty paid by the self-insurer upon order of the director of an additional amount equal to twenty-five percent of the amount then due which shall be paid into the pension reserve fund. Such an order shall conform to the requirements of RCW 51.52.050.

(3) Where any highway worker who lost his or her life or became totally disabled while either employed by a general contractor or subcontractor on a transportation project, the cost of the exemption for the tuition fees and services and activities fees for the highway worker's children and surviving spouse shall be paid from the accident fund as provided in RCW 28B.15.380."

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On page 1, line 3 of the title, after "workers;" strike the remainder of the title and insert "and amending RCW 28B.15.380 and 51.44.070."