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**SUBSTITUTE SENATE BILL 5741**

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**State of Washington**

**62nd Legislature**

**2011 Regular Session**

**By** Senate Economic Development, Trade & Innovation (originally sponsored by Senators Kastama and Chase)

READ FIRST TIME 02/18/11.

1 AN ACT Relating to the economic development commission; amending  
2 RCW 43.162.005, 43.162.010, 43.162.015, 43.162.020, 43.162.025, and  
3 43.162.030; reenacting and amending RCW 43.84.092; and adding new  
4 sections to chapter 43.162 RCW.

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

6 **Sec. 1.** RCW 43.162.005 and 2007 c 232 s 1 are each amended to read  
7 as follows:

8 (1) ~~The legislature finds that ((Washington's innovation and trade-~~  
9 ~~driven economy has provided tremendous opportunities for citizens of~~  
10 ~~the state, but that there is no guarantee that globally competitive~~  
11 ~~firms will continue to grow and locate in the state. The current~~  
12 ~~economic development system is fragmented among numerous programs,~~  
13 ~~councils, centers, and organizations with inadequate overall~~  
14 ~~coordination and insufficient guidance built into the system to ensure~~  
15 ~~that the system is responsive to its customers. The current economic~~  
16 ~~development system's data gathering and evaluation methods are~~  
17 ~~inconsistent and unable to provide adequate information for determining~~  
18 ~~how well the system is performing on a regular basis so the system may~~  
19 ~~be held accountable for its outcomes.~~

1       ~~The legislature also finds that developing a comprehensive economic~~  
2 ~~development strategic plan to guide the operation of effective economic~~  
3 ~~development programs, including workforce training, infrastructure~~  
4 ~~development, small business assistance, technology transfer, and export~~  
5 ~~assistance, is vital to the state's efforts to increase the~~  
6 ~~competitiveness of state businesses, encourage employment growth,~~  
7 ~~increase state revenues, and generate economic well being. There is a~~  
8 ~~need for responsive and consistent involvement of the private sector in~~  
9 ~~the state's economic development efforts. The legislature finds that~~  
10 ~~there is a need for the development of coordination criteria for~~  
11 ~~business recruitment, expansion, and retention activities carried out~~  
12 ~~by the state and local entities. It is the intent of the legislature))~~  
13 in order to achieve long-term global competitiveness, prosperity, and  
14 economic opportunity for all the state's citizens, Washington state  
15 must become the most attractive, creative, and fertile investment  
16 environment for innovation in the world.

17       (2) The legislature finds that the state must take a strategic  
18 approach to fostering an innovation economy, and that success will be  
19 driven by public and private sector leaders who are committed to  
20 developing and advocating a shared vision and collaborating across  
21 organizational and geographic boundaries. The legislature therefore  
22 intends to create an economic development commission that will provide  
23 planning, coordination, evaluation, monitoring, and policy analysis and  
24 development for the state economic development system as a whole, and  
25 advice to the governor and legislature concerning the state economic  
26 development system.

27       **Sec. 2.** RCW 43.162.010 and 2007 c 232 s 2 are each amended to read  
28 as follows:

29       (1) The Washington state economic development commission is  
30 established to (~~oversee the economic development strategies and~~  
31 ~~policies of the department of community, trade, and economic~~  
32 ~~development)) assist the governor and legislature by providing  
33 leadership, direction, and guidance on a long-term and systematic  
34 approach to economic development that will result in enduring global  
35 competitiveness, prosperity, and economic opportunity for all the  
36 state's citizens.~~

1           (2)(a) The (~~Washington state economic development commission shall~~  
2 ~~consist of eleven voting members~~) commission consists of twenty-four  
3 members. Fifteen of the members must be voting members appointed by  
4 the governor as follows: (~~Six~~) Eight representatives of the private  
5 sector, one representative of labor from east of the crest of the  
6 Cascade mountains and one representative of labor from west of the  
7 crest of the Cascade mountains, one representative of port districts,  
8 one representative of four-year state public higher education, one  
9 representative (~~for~~) of state community or technical colleges, one  
10 representative with expertise in international trade, and one  
11 representative of associate development organizations. The director of  
12 the department of (~~community, trade, and economic development~~)  
13 commerce, the director of the workforce training and education  
14 coordinating board, the commissioner of the employment security  
15 department, the secretary of the department of transportation, the  
16 director of the department of agriculture, and the chairs and ranking  
17 minority members of the standing committees of the house of  
18 representatives and the senate overseeing economic development policies  
19 (~~shall~~) must serve as nonvoting ex officio members.

20           (b) Members may not designate alternates, substitutes, or  
21 surrogates. However, members may participate in a meeting by  
22 conference telephone or similar communications equipment so that all  
23 persons participating in the meeting can hear each other at the same  
24 time. Participation by that method constitutes presence in person at  
25 a meeting.

26           (c) The chair of the commission (~~shall~~) must be a private sector  
27 voting member selected by the governor with the consent of the senate,  
28 and shall serve at the pleasure of the governor. (~~In selecting the~~  
29 chair, the governor shall seek a person who understands the future  
30 economic needs of the state and nation and the role the state's  
31 economic development system has in meeting those needs.

32           (~~b~~) A vice chair must be elected by members of the commission but  
33 may not be the director of an executive branch agency or a member of  
34 the legislature. The vice chair must exercise the duties of the  
35 commission chair in his or her absence.

36           (d) In making the appointments, the governor (~~shall~~) must consult  
37 with the commission and with organizations that have an interest in  
38 economic development, including, but not limited to, industry

1 associations, labor organizations, minority business associations,  
2 economic development councils, chambers of commerce, port associations,  
3 tribes, and the chairs of the legislative committees with jurisdiction  
4 over economic development.

5 ~~((e))~~ (e) The members ~~((shall))~~ must be representative of the  
6 geographic regions of the state, including eastern and central  
7 Washington, as well as represent the ethnic diversity of the state.  
8 Private sector members ~~((shall))~~ must represent existing and emerging  
9 industries, small businesses, women-owned businesses, and minority-  
10 owned businesses. Members of the commission ~~((shall))~~ must serve  
11 statewide interests while preserving their diverse perspectives, and  
12 ~~((shall))~~ must be recognized leaders in their fields with demonstrated  
13 experience in economic development, innovation, or disciplines related  
14 to economic development.

15 (3) Members appointed by the governor ~~((shall))~~ serve at the  
16 pleasure of the governor for not more than two consecutive three-year  
17 terms, except that, as determined by the governor, the terms of four of  
18 the appointees on the commission on the effective date of this section  
19 expire in 2012, the terms of four of the appointees on the commission  
20 on the effective date of this section expire in 2013, and the terms of  
21 three of the appointees on the commission on the effective date of this  
22 section expire in 2014. Thereafter all terms are for three years.  
23 Vacancies must be filled in the same manner as the original  
24 appointments.

25 (4) The commission may establish committees as it desires, and may  
26 invite nonmembers of the commission to serve as committee members.

27 (5) The executive director of the commission ~~((shall))~~ must be  
28 appointed by the governor with the consent of the ~~((voting members of~~  
29 ~~the))~~ commission. The salary of the executive director must be set by  
30 the governor with the consent of the commission. The governor may  
31 dismiss the executive director only with the approval of a majority  
32 vote of the commission. The commission, by a majority vote, may  
33 dismiss the executive director with the approval of the governor. The  
34 commission must evaluate the performance of the executive director in  
35 a manner consistent with the process used by the governor to evaluate  
36 the performance of agency directors.

37 (6) The commission may adopt ~~((rules))~~ policies and procedures for  
38 its own governance.

1        NEW SECTION. Sec. 3. A new section is added to chapter 43.162 RCW  
2 to read as follows:

3        For the purposes of this chapter, unless the context clearly  
4 requires otherwise, "commission" means the Washington state economic  
5 development commission created under RCW 43.162.005.

6        **Sec. 4.** RCW 43.162.015 and 2007 c 232 s 3 are each amended to read  
7 as follows:

8        (1) ~~((The commission shall employ an executive director.))~~ The  
9 executive director ~~((shall serve as chief executive officer of the  
10 commission and shall))~~ of the commission must serve as its chief  
11 executive officer. Subject to available resources and in accordance  
12 with commission direction, the executive director must:

13        (a) Administer the provisions of this chapter, employ such  
14 personnel as may be necessary to implement the purposes of this  
15 chapter, utilize staff of existing operating agencies to the fullest  
16 extent possible, and employ outside consulting and service agencies  
17 when appropriate(~~(-~~

18        ~~(2) The executive director may not be the chair of the commission.~~

19        ~~(3) The executive director shall))~~;

20        (b) Appoint necessary staff who ~~((shall be))~~ are exempt from the  
21 provisions of chapter 41.06 RCW. The executive director's appointees  
22 ~~((shall))~~ serve at the executive director's pleasure on such terms and  
23 conditions as the executive director determines but subject to chapter  
24 42.52 RCW.

25        ~~((4) The executive director shall appoint and employ such other  
26 employees as may be required for the proper discharge of the functions  
27 of the commission.~~

28        ~~(5))~~ The executive director must implement a hiring process for a  
29 research manager responsible for managing the data collection,  
30 database, and evaluation functions under RCW 43.162.020 and 43.162.025.  
31 By October 1, 2011, the executive director must make a recommendation  
32 to the commission on a qualified candidate to fill the research manager  
33 position. The commission is responsible for making the final decision  
34 on hiring the research manager. The research manager must be hired  
35 within existing resources;

36        (c) Appoint employees who are subject to the provisions of chapter  
37 41.06 RCW; and

1       (d) Contract with additional persons who have specific technical  
2 expertise if needed to carry out a specific, time-limited project.

3       (2) The executive director (~~(shall exercise such additional~~  
4 ~~powers~~) must exercise additional authority, other than rule making, as  
5 may be delegated by the commission.

6       (3) The executive director must develop for commission review and  
7 approval an annual commission budget and work plan in accordance with  
8 the omnibus appropriations bill approved by the legislature, and must  
9 present a fiscal report to the commission quarterly for its review and  
10 comment.

11       (4) The executive director of the commission must report solely to  
12 the governor and the commissioners on matters pertaining to commission  
13 operations.

14       **Sec. 5.** RCW 43.162.020 and 2009 c 151 s 9 are each amended to read  
15 as follows:

16       ~~((The Washington state economic development commission shall:~~

17       ~~(1) Concentrate its major efforts on planning, coordination,~~  
18 ~~evaluation, policy analysis, and recommending improvements to the~~  
19 ~~state's economic development system using, but not limited to, the~~  
20 ~~"Next Washington" plan and the global competitiveness council~~  
21 ~~recommendations;~~

22       ~~(2) Develop and maintain on a biennial basis a state comprehensive~~  
23 ~~plan for economic development, including but not limited to goals,~~  
24 ~~objectives, and priorities for the state economic development system;~~  
25 ~~identify the elements local associate development organizations must~~  
26 ~~include in their countywide economic development plans; and review the~~  
27 ~~state system for consistency with the state comprehensive plan. The~~  
28 ~~plan shall)) (1) The commission must concentrate its major efforts on~~  
29 strategic planning, policy research and analysis, advocacy, evaluation,  
30 and promoting coordination and collaboration.

31       (2) During each regular legislative session, the commission must  
32 consult with appropriate legislative committees about the state's  
33 economic development needs and opportunities.

34       (3)(a) By January 31st of each odd-numbered year, the commission  
35 must submit to the governor and legislature a biennial comprehensive  
36 statewide economic development strategy with a report on progress from  
37 the previous comprehensive strategy.

1        (b) The comprehensive statewide economic development strategy must  
2 include the industry clusters in the state and the strategic clusters  
3 targeted by the commission for economic development efforts. The  
4 commission (~~(shall)~~) must consult with the workforce training and  
5 education coordinating board and include labor market and economic  
6 information by the employment security department in developing the  
7 list of clusters and strategic clusters that meet the criteria  
8 identified by the working group convened by the economic development  
9 commission and the workforce training and education coordinating board  
10 under chapter 43.330 RCW.

11        (4)(a) In developing the (~~(state comprehensive plan for economic~~  
12 ~~development)) comprehensive statewide economic development strategy,~~  
13 the commission (~~(shall)~~) must use, but may not be limited to:  
14 Economic, labor market, and populations trend reports in office of  
15 financial management forecasts; the annual state economic climate  
16 report prepared by the economic climate council; joint office of  
17 financial management and employment security department labor force,  
18 industry employment, and occupational forecasts; the results of  
19 scientifically based outcome evaluations; the needs of industry  
20 associations, industry clusters, businesses, and employees as evidenced  
21 in formal surveys and other input(~~(+~~

22        ~~(3) Establish and maintain an inventory of the programs of the~~  
23 ~~state economic development system and related state programs; perform~~  
24 ~~a biennial assessment of the ongoing and strategic economic development~~  
25 ~~needs of the state; and assess the extent to which the economic~~  
26 ~~development system and related programs represent a consistent,~~  
27 ~~coordinated, efficient, and integrated approach to meet such needs; and~~

28        ~~(4) Produce a biennial report to the governor and the legislature~~  
29 ~~on progress by the commission in coordinating the state's economic~~  
30 ~~development system and meeting the other obligations of this chapter,~~  
31 ~~as well as include recommendations for any statutory changes necessary~~  
32 ~~to enhance operational efficiencies or improve coordination.~~

33        ~~The commission may delegate to the executive director any of the~~  
34 ~~functions of this section)).~~

35        (b) The comprehensive statewide economic development strategy may  
36 include:

37        (i) An assessment of the state's economic vitality;

1 (ii) Recommended goals, objectives, and priorities for the next  
2 biennium, and the future;

3 (iii) A common set of outcomes and benchmarks for the economic  
4 development system as a whole;

5 (iv) Recommendations for removing barriers and promoting  
6 collaboration among participants in the innovation ecosystem;

7 (v) An inventory of existing relevant programs compiled by the  
8 commission from materials submitted by agencies;

9 (vi) Recommendations for expanding, discontinuing, or redirecting  
10 existing programs, or adding new programs; and

11 (vii) Recommendations of best practices and public and private  
12 sector roles in implementing the comprehensive statewide economic  
13 development strategy.

14 (5) In developing the biennial statewide economic development  
15 strategy required under this section, the commission must consult,  
16 collaborate, and coordinate with relevant state agencies, private  
17 sector businesses, nonprofit organizations involved in economic  
18 development, trade associations, and relevant local organizations in  
19 order to avoid duplication of effort.

20 (6) State agencies must cooperate with the commission and provide  
21 information as the commission may reasonably request.

22 (7) The commission must develop a biennial budget request for  
23 approval by the office of financial management. The commission must  
24 adopt an annual budget and work plan in accordance with the omnibus  
25 appropriations bill approved by the legislature.

26 (8) Of state appropriated funds for the operation of the  
27 commission, the state agency serving as the commission's fiscal agent  
28 may use no more than ten percent of funds appropriated for commission  
29 personnel costs and no more than three percent of funds in the  
30 Washington state economic development commission account to cover  
31 administrative expenses.

32 (9)(a) The commission and its fiscal agent must jointly develop and  
33 adopt a memorandum of understanding to outline and establish clear  
34 lines of authority and responsibility between them related to budget  
35 and administrative services.

36 (b) The memorandum of understanding may not provide any additional  
37 grant of authorities to the commission or the fiscal agent that is not



1 already provided for by statute, nor diminish any authorities or powers  
2 granted to either party by statute.

3 (c) Periodically, but not less often than biannually, the  
4 commission and fiscal agent must review the memorandum of understanding  
5 and, if necessary, recommend changes to the other party.

6 (d) As provided generally under RCW 43.162.015, the executive  
7 director of the commission must report solely to the governor and the  
8 commissioners on matters pertaining to commission operations.

9 (10) To maintain its objectivity and concentration on strategic  
10 planning, policy research and analysis, and evaluation, the commission  
11 may not take an administrative role in the delivery of services.  
12 However, subject to available resources and consistent with its work  
13 plan, the commission or the executive director may conduct outreach  
14 activities such as regional forums and best practices seminars.

15 (11) The commission must evaluate its own performance on a regular  
16 basis.

17 (12) The commission may accept gifts, grants, donations,  
18 sponsorships, or contributions from any federal, state, or local  
19 governmental agency or program, or any private source, and expend the  
20 same for any purpose consistent with this chapter.

21 **Sec. 6.** RCW 43.162.025 and 2007 c 232 s 5 are each amended to read  
22 as follows:

23 (1) Subject to available funds, the Washington state economic  
24 development commission may:

25 ((+1)) (a) Periodically review for consistency with the state  
26 comprehensive plan for economic development the policies and plans  
27 established for:

28 ((+a)) (i) Business and technical assistance by the small business  
29 development center, the Washington manufacturing service, the  
30 Washington technology center, associate development organizations, the  
31 department of ((community, trade, and economic development)) commerce,  
32 and the office of minority and women-owned business enterprises;

33 ((+b)) (ii) Export assistance by the small business export finance  
34 assistance center, the international marketing program for agricultural  
35 commodities and trade, the department of agriculture, the center for  
36 international trade in forest products, associate development

1 organizations, and the department of (~~community, trade, and economic~~  
2 ~~development~~) commerce; and

3 (~~(e)~~) (iii) Infrastructure development by the department of  
4 (~~community, trade, and economic development~~) commerce and the  
5 department of transportation;

6 (~~(2)~~) (b) Review and make recommendations to the office of  
7 financial management and the legislature on budget requests and  
8 legislative proposals relating to the state economic development system  
9 for purposes of consistency with the state comprehensive plan for  
10 economic development;

11 (~~(3) Provide for coordination among the different agencies,~~  
12 ~~organizations, and components of the state economic development system~~  
13 ~~at the state level and at the regional level;~~

14 ~~(4) Advocate for the state economic development system and for~~  
15 ~~meeting the needs of industry associations, industry clusters,~~  
16 ~~businesses, and employees;~~

17 ~~(5) Identify partners and~~) (c) In collaboration with the  
18 department of commerce and other partners, develop a plan (~~to~~  
19 ~~develop~~) for a consistent and reliable database on participation  
20 rates, costs, program activities, and outcomes from publicly funded  
21 economic development programs in this state by (~~January 1, 2011.~~)  
22 October 1, 2012;

23 (~~(a) In coordination with the development of the database,~~) (i)  
24 By October 1, 2012, the commission (~~shall~~) must establish standards  
25 for data collection and maintenance for providers in the economic  
26 development system in a format that is accessible to use by the  
27 commission. The commission (~~shall~~) must require a minimum of common  
28 core data to be collected by each entity providing economic development  
29 services with public funds and shall develop requirements for minimum  
30 common core data in consultation with the economic climate council, the  
31 office of financial management, and the providers of economic  
32 development services;

33 (~~(b)~~) (ii) The commission (~~shall~~) must establish minimum common  
34 standards and metrics for program evaluation of economic development  
35 programs, and monitor such program evaluations; and

36 (~~(e)~~) (iii) The commission (~~shall~~) must, beginning no later  
37 than January 1, 2012, periodically administer, based on a schedule  
38 established by the commission, scientifically based outcome evaluations

1 of the state economic development system including, but not limited to,  
2 surveys of industry associations, industry cluster associations, and  
3 businesses served by publicly funded economic development programs;  
4 matches with employment security department payroll and wage files; and  
5 matches with department of revenue tax files; and

6 ~~((+6))~~ (d) Evaluate proposals for expenditure from the economic  
7 development strategic reserve account and recommend expenditures from  
8 the account.

9 ~~((The commission may delegate to the director any of the functions  
10 of this section.))~~ (2) The governor or legislature may direct the  
11 commission, from time to time, to undertake additional research and  
12 policy analysis, assessments, or other special projects related to its  
13 mission.

14 **Sec. 7.** RCW 43.162.030 and 2007 c 232 s 7 are each amended to read  
15 as follows:

16 Creation of the ~~((Washington state economic development))~~  
17 commission ~~((shall))~~ may not be construed to modify any authority or  
18 budgetary responsibility of the governor or the department of  
19 ~~((community, trade, and economic development))~~ commerce.

20 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.162 RCW  
21 to read as follows:

22 (1) The Washington state economic development commission account is  
23 created in the state treasury. All receipts from gifts, grants,  
24 donations, sponsorships, or contributions under RCW 43.162.020 must be  
25 deposited into the account. Moneys in the account may be spent only  
26 after appropriation. Expenditures from the account may be used by the  
27 Washington state economic development commission only for purposes  
28 related to carrying out the mission, roles, and responsibilities of the  
29 commission.

30 (2) Whenever any money, from the federal government or from other  
31 sources, that was not anticipated in the budget approved by the  
32 legislature, has actually been received and is designated to be spent  
33 for a specific purpose, the executive director must use the  
34 unanticipated receipts process as provided in RCW 43.79.270 to request  
35 authority to spend the money.

1       **Sec. 9.** RCW 43.84.092 and 2010 1st sp.s. c 30 s 20, 2010 1st sp  
2 s c 9 s 7, 2010 c 248 s 6, 2010 c 222 s 5, 2010 c 162 s 6, and 2010 c  
3 145 s 11 are each reenacted and amended to read as follows:

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

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

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

30       (4) Monthly, the state treasurer shall distribute the earnings  
31 credited to the treasury income account. The state treasurer shall  
32 credit the general fund with all the earnings credited to the treasury  
33 income account except:

34       (a) The following accounts and funds shall receive their  
35 proportionate share of earnings based upon each account's and fund's  
36 average daily balance for the period: The aeronautics account, the  
37 aircraft search and rescue account, the budget stabilization account,  
38 the capitol building construction account, the Cedar River channel

1 construction and operation account, the Central Washington University  
2 capital projects account, the charitable, educational, penal and  
3 reformatory institutions account, the cleanup settlement account, the  
4 Columbia river basin water supply development account, the common  
5 school construction fund, the county arterial preservation account, the  
6 county criminal justice assistance account, the county sales and use  
7 tax equalization account, the deferred compensation administrative  
8 account, the deferred compensation principal account, the department of  
9 licensing services account, the department of retirement systems  
10 expense account, the developmental disabilities community trust  
11 account, the drinking water assistance account, the drinking water  
12 assistance administrative account, the drinking water assistance  
13 repayment account, the Eastern Washington University capital projects  
14 account, the education construction fund, the education legacy trust  
15 account, the election account, the energy freedom account, the energy  
16 recovery act account, the essential rail assistance account, The  
17 Evergreen State College capital projects account, the federal forest  
18 revolving account, the ferry bond retirement fund, the freight  
19 congestion relief account, the freight mobility investment account, the  
20 freight mobility multimodal account, the grade crossing protective  
21 fund, the public health services account, the health system capacity  
22 account, the high capacity transportation account, the state higher  
23 education construction account, the higher education construction  
24 account, the highway bond retirement fund, the highway infrastructure  
25 account, the highway safety account, the high occupancy toll lanes  
26 operations account, the hospital safety net assessment fund, the  
27 industrial insurance premium refund account, the judges' retirement  
28 account, the judicial retirement administrative account, the judicial  
29 retirement principal account, the local leasehold excise tax account,  
30 the local real estate excise tax account, the local sales and use tax  
31 account, the marine resources stewardship trust account, the medical  
32 aid account, the mobile home park relocation fund, the motor vehicle  
33 fund, the motorcycle safety education account, the multiagency  
34 permitting team account, the multimodal transportation account, the  
35 municipal criminal justice assistance account, the municipal sales and  
36 use tax equalization account, the natural resources deposit account,  
37 the oyster reserve land account, the pension funding stabilization  
38 account, the perpetual surveillance and maintenance account, the public

1 employees' retirement system plan 1 account, the public employees'  
2 retirement system combined plan 2 and plan 3 account, the public  
3 facilities construction loan revolving account beginning July 1, 2004,  
4 the public health supplemental account, the public transportation  
5 systems account, the public works assistance account, the Puget Sound  
6 capital construction account, the Puget Sound ferry operations account,  
7 the Puyallup tribal settlement account, the real estate appraiser  
8 commission account, the recreational vehicle account, the regional  
9 mobility grant program account, the resource management cost account,  
10 the rural arterial trust account, the rural Washington loan fund, the  
11 site closure account, the small city pavement and sidewalk account, the  
12 special category C account, the special wildlife account, the state  
13 employees' insurance account, the state employees' insurance reserve  
14 account, the state investment board expense account, the state  
15 investment board commingled trust fund accounts, the state patrol  
16 highway account, the state route number 520 civil penalties account,  
17 the state route number 520 corridor account, the supplemental pension  
18 account, the Tacoma Narrows toll bridge account, the teachers'  
19 retirement system plan 1 account, the teachers' retirement system  
20 combined plan 2 and plan 3 account, the tobacco prevention and control  
21 account, the tobacco settlement account, the transportation 2003  
22 account (nickel account), the transportation equipment fund, the  
23 transportation fund, the transportation improvement account, the  
24 transportation improvement board bond retirement account, the  
25 transportation infrastructure account, the transportation partnership  
26 account, the traumatic brain injury account, the tuition recovery trust  
27 fund, the University of Washington bond retirement fund, the University  
28 of Washington building account, the urban arterial trust account, the  
29 volunteer firefighters' and reserve officers' relief and pension  
30 principal fund, the volunteer firefighters' and reserve officers'  
31 administrative fund, the Washington judicial retirement system account,  
32 the Washington law enforcement officers' and firefighters' system plan  
33 1 retirement account, the Washington law enforcement officers' and  
34 firefighters' system plan 2 retirement account, the Washington public  
35 safety employees' plan 2 retirement account, the Washington school  
36 employees' retirement system combined plan 2 and 3 account, the  
37 Washington state economic development commission account, the  
38 Washington state health insurance pool account, the Washington state

1 patrol retirement account, the Washington State University building  
2 account, the Washington State University bond retirement fund, the  
3 water pollution control revolving fund, and the Western Washington  
4 University capital projects account. Earnings derived from investing  
5 balances of the agricultural permanent fund, the normal school  
6 permanent fund, the permanent common school fund, the scientific  
7 permanent fund, and the state university permanent fund shall be  
8 allocated to their respective beneficiary accounts.

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

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

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