

SHB 2012 - H AMD 562

By Representative Clibborn

ADOPTED 6/29/2015

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 47.01
4 RCW to read as follows:

5 (1)(a) For projects identified as connecting Washington projects
6 and supported by revenues under chapter . . . (Engrossed Substitute
7 Senate Bill No. 5987), Laws of 2015 3rd sp. sess., it is the priority
8 of the legislature that the department deliver the named projects.
9 The legislature encourages the department to continue to
10 institutionalize innovation and collaboration in design and project
11 delivery with an eye toward the most efficient use of resources. In
12 doing so, the legislature expects that, for some projects, costs will
13 be reduced during the project design phase due to the application of
14 practical design. However, significant changes to a project title or
15 scope arising from the application of practical design requires
16 legislative approval. The legislature will utilize existing
17 mechanisms and processes to ensure timely and efficient approval.
18 Practical design-related changes to the scope may be proposed by the
19 department, for the legislature's approval, only if the project's
20 intended performance is substantially unchanged and the local
21 governments and interested stakeholders impacted by the project have
22 been consulted and have reviewed the proposed changes.

23 (b) To the greatest extent practicable, a contract for the
24 construction of a project with any change to the title or scope,
25 whether significant or not, arising from the application of practical
26 design must not be let until the department has provided a detailed
27 notice describing the change to the chairs and ranking members of the
28 house of representatives and senate transportation committees or, if
29 during the interim, to the joint transportation committee.

30 (c) To determine the savings attributable to practical design,
31 each connecting Washington project must be evaluated. For design-bid-
32 build projects, the evaluation must occur at the end of the project

1 design phase. For design-build projects, the evaluation must occur at
2 the completion of thirty percent design. Each year as a part of its
3 annual budget submittal, the department must include a detailed
4 summary of how practical design has been applied and the associated
5 savings gained. The annual summary must also include for each
6 project: Details regarding any savings gained specifically through
7 changes in the cost of materials, changes in the scope of a project
8 and associated impacts on risk, the retirement of any risk reserves,
9 and unused contingency funds.

10 (2)(a) The transportation future funding program is intended to
11 provide for future emergent transportation projects, accelerating the
12 schedule for existing connecting Washington projects, and highway
13 preservation investments, beginning in fiscal year 2024, based on
14 savings accrued from the application of practical design and any
15 retired risk or unused contingency funding on connecting Washington
16 projects.

17 (b) Beginning July 1, 2016, the department must submit a report
18 to the state treasurer and the transportation committees of the
19 legislature once every six months identifying the amount of savings
20 attributable to the application of practical design, retired risk,
21 and unused contingency funding, and report when the savings become
22 available. The state treasurer must transfer the available amounts
23 identified in the report to the transportation future funding program
24 account created in section 2 of this act.

25 (c) Beginning in fiscal year 2024, as a part of its budget
26 submittal, the department may provide a list of highway improvement
27 projects or preservation investments for potential legislative
28 approval as part of the transportation future funding program.
29 Highway improvement projects considered for inclusion under the
30 transportation future funding program may include new connecting
31 Washington projects, or accelerate the schedule for existing
32 connecting Washington projects, and must: Address significant safety
33 concerns; alleviate congestion and advance mobility; provide
34 compelling economic development gains; leverage partnership funds
35 from local, federal, or other sources; or require a next phase of
36 funding to build upon initial investments provided by the
37 legislature.

38 (d) It is the intent of the legislature that if savings
39 attributable to the application of practical design are used to

1 accelerate existing connecting Washington projects, savings must also
2 be used for new connecting Washington projects of equal cost.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 46.68
4 RCW to read as follows:

5 The transportation future funding program account is created in
6 the connecting Washington account established in chapter . . .
7 (Engrossed Substitute Senate Bill No. 5987), Laws of 2015 3rd sp.
8 sess. Moneys in the account may be spent only after appropriation.
9 Expenditures from the account must be used only for preservation
10 projects, to accelerate the schedule of connecting Washington
11 projects identified in chapter . . . (Engrossed Substitute Senate
12 Bill No. 5988), Laws of 2015 3rd sp. sess., for new connecting
13 Washington projects, and for principal and interest on bonds
14 authorized for the projects. It is the legislature's intent that
15 moneys not be appropriated from the account until 2024 and that
16 moneys in the account be expended in equal amounts between
17 preservation and improvement projects. Moneys in the account may not
18 be expended on the state route number 99 Alaskan Way viaduct
19 replacement project.

20 **Sec. 3.** RCW 43.84.092 and 2014 c 112 s 106, 2014 c 74 s 5, and
21 2014 c 32 s 6 are each reenacted and amended to read as follows:

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

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

1 distributions of earnings set forth in subsection (4) of this
2 section.

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

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

16 (a) The following accounts and funds shall receive their
17 proportionate share of earnings based upon each account's and fund's
18 average daily balance for the period: The aeronautics account, the
19 aircraft search and rescue account, the Alaskan Way viaduct
20 replacement project account, the brownfield redevelopment trust fund
21 account, the budget stabilization account, the capital vessel
22 replacement account, the capitol building construction account, the
23 Cedar River channel construction and operation account, the Central
24 Washington University capital projects account, the charitable,
25 educational, penal and reformatory institutions account, the cleanup
26 settlement account, the Columbia river basin water supply development
27 account, the Columbia river basin taxable bond water supply
28 development account, the Columbia river basin water supply revenue
29 recovery account, the common school construction fund, the community
30 forest trust account, the county arterial preservation account, the
31 county criminal justice assistance account, the deferred compensation
32 administrative account, the deferred compensation principal account,
33 the department of licensing services account, the department of
34 retirement systems expense account, the developmental disabilities
35 community trust account, the diesel idle reduction account, the
36 drinking water assistance account, the drinking water assistance
37 administrative account, the drinking water assistance repayment
38 account, the Eastern Washington University capital projects account,
39 the Interstate 405 express toll lanes operations account, the
40 education construction fund, the education legacy trust account, the

1 election account, the energy freedom account, the energy recovery act
2 account, the essential rail assistance account, The Evergreen State
3 College capital projects account, the federal forest revolving
4 account, the ferry bond retirement fund, the freight mobility
5 investment account, the freight mobility multimodal account, the
6 grade crossing protective fund, the public health services account,
7 the high capacity transportation account, the state higher education
8 construction account, the higher education construction account, the
9 highway bond retirement fund, the highway infrastructure account, the
10 highway safety fund, the high occupancy toll lanes operations
11 account, the hospital safety net assessment fund, the industrial
12 insurance premium refund account, the judges' retirement account, the
13 judicial retirement administrative account, the judicial retirement
14 principal account, the local leasehold excise tax account, the local
15 real estate excise tax account, the local sales and use tax account,
16 the marine resources stewardship trust account, the medical aid
17 account, the mobile home park relocation fund, the motor vehicle
18 fund, the motorcycle safety education account, the multimodal
19 transportation account, the multiuse roadway safety account, the
20 municipal criminal justice assistance account, the natural resources
21 deposit account, the oyster reserve land account, the pension funding
22 stabilization account, the perpetual surveillance and maintenance
23 account, the public employees' retirement system plan 1 account, the
24 public employees' retirement system combined plan 2 and plan 3
25 account, the public facilities construction loan revolving account
26 beginning July 1, 2004, the public health supplemental account, the
27 public works assistance account, the Puget Sound capital construction
28 account, the Puget Sound ferry operations account, the real estate
29 appraiser commission account, the recreational vehicle account, the
30 regional mobility grant program account, the resource management cost
31 account, the rural arterial trust account, the rural mobility grant
32 program account, the rural Washington loan fund, the site closure
33 account, the skilled nursing facility safety net trust fund, the
34 small city pavement and sidewalk account, the special category C
35 account, the special wildlife account, the state employees' insurance
36 account, the state employees' insurance reserve account, the state
37 investment board expense account, the state investment board
38 commingled trust fund accounts, the state patrol highway account, the
39 state route number 520 civil penalties account, the state route
40 number 520 corridor account, the state wildlife account, the

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

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

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

4 **Sec. 4.** RCW 43.84.092 and 2014 c 112 s 107, 2014 c 74 s 6, and
5 2014 c 32 s 7 are each reenacted and amended to read as follows:

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

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

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

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

38 (a) The following accounts and funds shall receive their
39 proportionate share of earnings based upon each account's and fund's

1 average daily balance for the period: The aeronautics account, the
2 aircraft search and rescue account, the Alaskan Way viaduct
3 replacement project account, the brownfield redevelopment trust fund
4 account, the budget stabilization account, the capital vessel
5 replacement account, the capitol building construction account, the
6 Cedar River channel construction and operation account, the Central
7 Washington University capital projects account, the charitable,
8 educational, penal and reformatory institutions account, the cleanup
9 settlement account, the Columbia river basin water supply development
10 account, the Columbia river basin taxable bond water supply
11 development account, the Columbia river basin water supply revenue
12 recovery account, the Columbia river crossing project account, the
13 common school construction fund, the community forest trust account,
14 the county arterial preservation account, the county criminal justice
15 assistance account, the deferred compensation administrative account,
16 the deferred compensation principal account, the department of
17 licensing services account, the department of retirement systems
18 expense account, the developmental disabilities community trust
19 account, the diesel idle reduction account, the drinking water
20 assistance account, the drinking water assistance administrative
21 account, the drinking water assistance repayment account, the Eastern
22 Washington University capital projects account, the Interstate 405
23 express toll lanes operations account, the education construction
24 fund, the education legacy trust account, the election account, the
25 energy freedom account, the energy recovery act account, the
26 essential rail assistance account, The Evergreen State College
27 capital projects account, the federal forest revolving account, the
28 ferry bond retirement fund, the freight mobility investment account,
29 the freight mobility multimodal account, the grade crossing
30 protective fund, the public health services account, the high
31 capacity transportation account, the state higher education
32 construction account, the higher education construction account, the
33 highway bond retirement fund, the highway infrastructure account, the
34 highway safety fund, the high occupancy toll lanes operations
35 account, the hospital safety net assessment fund, the industrial
36 insurance premium refund account, the judges' retirement account, the
37 judicial retirement administrative account, the judicial retirement
38 principal account, the local leasehold excise tax account, the local
39 real estate excise tax account, the local sales and use tax account,
40 the marine resources stewardship trust account, the medical aid

1 account, the mobile home park relocation fund, the motor vehicle
2 fund, the motorcycle safety education account, the multimodal
3 transportation account, the multiuse roadway safety account, the
4 municipal criminal justice assistance account, the natural resources
5 deposit account, the oyster reserve land account, the pension funding
6 stabilization account, the perpetual surveillance and maintenance
7 account, the public employees' retirement system plan 1 account, the
8 public employees' retirement system combined plan 2 and plan 3
9 account, the public facilities construction loan revolving account
10 beginning July 1, 2004, the public health supplemental account, the
11 public works assistance account, the Puget Sound capital construction
12 account, the Puget Sound ferry operations account, the real estate
13 appraiser commission account, the recreational vehicle account, the
14 regional mobility grant program account, the resource management cost
15 account, the rural arterial trust account, the rural mobility grant
16 program account, the rural Washington loan fund, the site closure
17 account, the skilled nursing facility safety net trust fund, the
18 small city pavement and sidewalk account, the special category C
19 account, the special wildlife account, the state employees' insurance
20 account, the state employees' insurance reserve account, the state
21 investment board expense account, the state investment board
22 commingled trust fund accounts, the state patrol highway account, the
23 state route number 520 civil penalties account, the state route
24 number 520 corridor account, the state wildlife account, the
25 supplemental pension account, the Tacoma Narrows toll bridge account,
26 the teachers' retirement system plan 1 account, the teachers'
27 retirement system combined plan 2 and plan 3 account, the tobacco
28 prevention and control account, the tobacco settlement account, the
29 toll facility bond retirement account, the transportation 2003
30 account (nickel account), the transportation equipment fund, the
31 transportation fund, the transportation future funding program
32 account, the transportation improvement account, the transportation
33 improvement board bond retirement account, the transportation
34 infrastructure account, the transportation partnership account, the
35 traumatic brain injury account, the tuition recovery trust fund, the
36 University of Washington bond retirement fund, the University of
37 Washington building account, the volunteer firefighters' and reserve
38 officers' relief and pension principal fund, the volunteer
39 firefighters' and reserve officers' administrative fund, the
40 Washington judicial retirement system account, the Washington law

1 enforcement officers' and firefighters' system plan 1 retirement
2 account, the Washington law enforcement officers' and firefighters'
3 system plan 2 retirement account, the Washington public safety
4 employees' plan 2 retirement account, the Washington school
5 employees' retirement system combined plan 2 and 3 account, the
6 Washington state health insurance pool account, the Washington state
7 patrol retirement account, the Washington State University building
8 account, the Washington State University bond retirement fund, the
9 water pollution control revolving administration account, the water
10 pollution control revolving fund, the Western Washington University
11 capital projects account, the Yakima integrated plan implementation
12 account, the Yakima integrated plan implementation revenue recovery
13 account, and the Yakima integrated plan implementation taxable bond
14 account. Earnings derived from investing balances of the agricultural
15 permanent fund, the normal school permanent fund, the permanent
16 common school fund, the scientific permanent fund, the state
17 university permanent fund, and the state reclamation revolving
18 account shall be allocated to their respective beneficiary accounts.

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

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

28 NEW SECTION. **Sec. 5.** Section 3 of this act expires on the date
29 the requirements set out in section 7, chapter 36, Laws of 2012 are
30 met.

31 NEW SECTION. **Sec. 6.** Section 4 of this act takes effect on the
32 date the requirements set out in section 7, chapter 36, Laws of 2012
33 are met.

34 NEW SECTION. **Sec. 7.** Except for section 4 of this act, this act
35 is necessary for the immediate preservation of the public peace,

1 health, or safety, or support of the state government and its
2 existing public institutions, and takes effect immediately."

3 Correct the title.

EFFECT: Strikes all material in the underlying bill and does the following:

(1) Encourages the Washington state department of transportation (WSDOT) to continue to apply practical design in project delivery and specifies that the legislature expects practical design to result in reduced project costs.

(2) Requires that significant changes to project title or scope as a result of practical design be approved by the legislature and requires that local governments and interested stakeholders review all proposed practical design changes prior to implementation.

(3) Requires the WSDOT to notify the transportation committees of the legislature prior to letting any contract with a title or scope change.

(4) Specifies that the WSDOT must evaluate projects at the end of the project design phase and determine practical design savings and report on the savings as part of its annual budget submittal.

(5) Designates that savings attributable to practical design must be made available through the transportation future funding program to new connecting Washington projects and to preservation investments beginning in fiscal year 2024.

(6) Allows the transportation future funding program to be used to accelerate the schedule of existing connecting Washington projects.

(7) Creates a new subaccount in the connecting Washington account called the transportation future funding program account and specifies that moneys in the account may not be expended on the SR 99 Alaskan Way viaduct replacement project.

(8) Adds an emergency clause for the bill to take effect immediately.

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