

SENATE BILL REPORT

SB 5381

As Reported By Senate Committee On:
Health & Long-Term Care, February 25, 1997

Title: An act relating to local public health financing.

Brief Description: Modifying local public health financing.

Sponsors: Senators Winsley, Franklin, Schow, Wojahn, Oke, Goings and Roach.

Brief History:

Committee Activity: Health & Long-Term Care: 2/13/97, 2/25/97 [DP-WM].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Deccio, Chair; Wood, Vice Chair; Fairley, Franklin, Strannigan and Wojahn.

Staff: Don Sloma (786-7319)

Background: Several legislative enactments in recent years have changed the financing and governance of local public health jurisdictions. The changes have generally removed city governments from any mandatory direct role, although they may still negotiate voluntary financing or governance roles.

One part of these changes involved rededicating 2.95 percent of the motor vehicle excise tax (MVET) revenue which had been statutorily earmarked for use by the cities to a newly created county public health account in the state treasury. This account was created to provide a means to distribute the 2.95 percent MVET transfer from cities and additional state fund appropriations to counties according to a formula that was supposed to result in no reductions in any local health jurisdiction's funding.

However, the account's distribution formula did not adjust for the effect of county population reductions resulting from the new incorporation of cities during 1994 and 1995. For this reason, Pierce County lost revenue it would have obtained from this account for public health when University Place, Lakewood, and Englewood incorporated. Similarly, King County lost revenue when Shoreline incorporated.

Summary of Bill: If excess funds become available in the county sales tax equalization account after existing statutorily required distributions are made, the State Treasurer must distribute the excess into the county public health account.

If funds become available in the county public health account, the director of the Department of Community, Trade, and Economic Development must increase funding to local health

jurisdictions to compensate for any losses they suffered under the account's funding formula when a city became newly incorporated as a result of an election during 1994 and 1995.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1997.

Testimony For: The bill is needed to replace funding lost to two of the state's largest health departments, because of a change in state law.

Testimony Against: None.

Testified: Senator Shirley Winsley (pro); Frederick Cruz, Pierce Co. Health Officer (pro); Len Sanderson, City of Milton (pro).