
SECOND SUBSTITUTE HOUSE BILL 1180

State of Washington

57th Legislature

2001 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Cody, Marine, Ruderman, McMorris and Schual-Berke; by request of Department of Health)

Read first time 03/08/2001. Referred to Committee on .

1 AN ACT Relating to obtaining and expending funds for the public
2 health system; amending RCW 43.70.040, 43.84.092, and 43.84.092; adding
3 a new section to chapter 43.70 RCW; creating a new section; providing
4 an effective date; and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that developing,
7 creating, and maintaining partnerships between the public and private
8 sectors can enhance and augment current public health services. The
9 legislature further finds that the department of health should have the
10 ability to establish such partnerships, and seek out and accept gifts,
11 grants, and other funding to advance worthy public health goals and
12 programs.

13 (2) It is the intent of the legislature that gifts and other funds
14 received by the department of health under the authority granted by RCW
15 43.70.040 may be used to expand or enhance program operations so long
16 as program standards established by the department are maintained, but
17 may not supplant or replace funds for federal, state, county, or city-
18 supported programs.

1 **Sec. 2.** RCW 43.70.040 and 1995 c 403 s 105 are each amended to
2 read as follows:

3 In addition to any other powers granted the secretary, the
4 secretary may:

5 (1) Adopt, in accordance with chapter 34.05 RCW, rules necessary to
6 carry out the provisions of chapter 9, Laws of 1989 1st ex. sess.:
7 PROVIDED, That for rules adopted after July 23, 1995, the secretary may
8 not rely solely on a section of law stating a statute's intent or
9 purpose, on the enabling provisions of the statute establishing the
10 agency, or on any combination of such provisions, for statutory
11 authority to adopt any rule;

12 (2) Appoint such advisory committees as may be necessary to carry
13 out the provisions of chapter 9, Laws of 1989 1st ex. sess. Members of
14 such advisory committees are authorized to receive travel expenses in
15 accordance with RCW 43.03.050 and 43.03.060. The secretary and the
16 board of health shall review each advisory committee within their
17 jurisdiction and each statutory advisory committee on a biennial basis
18 to determine if such advisory committee is needed(~~(. The criteria~~
19 ~~specified in RCW 43.131.070 shall be used to determine whether or not~~
20 ~~each advisory committee shall be continued))~~);

21 (3) Undertake studies, research, and analysis necessary to carry
22 out the provisions of chapter 9, Laws of 1989 1st ex. sess. in
23 accordance with RCW 43.70.050;

24 (4) Delegate powers, duties, and functions of the department to
25 employees of the department as the secretary deems necessary to carry
26 out the provisions of chapter 9, Laws of 1989 1st ex. sess.;

27 (5) Enter into contracts on behalf of the department to carry out
28 the purposes of chapter 9, Laws of 1989 1st ex. sess.;

29 (6) Act for the state in the initiation of, or the participation
30 in, any intergovernmental program to the purposes of chapter 9, Laws of
31 1989 1st ex. sess.; or

32 (7) Solicit and accept gifts, grants, bequests, devises, or other
33 funds from public and private sources.

34 **NEW SECTION. Sec. 3.** A new section is added to chapter 43.70 RCW
35 to read as follows:

36 (1) The public health supplemental account is created in the state
37 treasury. All receipts from gifts, bequests, devises, or funds, whose
38 use is determined to further the purpose of maintaining and improving

1 the health of Washington residents through the public health system
2 must be deposited into the account. Money in the account may be spent
3 only after appropriation. Expenditures from the account may be used
4 only for maintaining and improving the health of Washington residents
5 through the public health system. Expenditures from the account shall
6 not be used to pay for or add permanent full-time equivalent staff
7 positions.

8 (2) The state investment board shall invest the funds in the public
9 health supplemental account and, except for costs under RCW 43.33A.160
10 and 43.84.160, the account shall retain all earnings from these
11 investments.

12 (3) The department shall file an annual statement of the financial
13 condition, transactions, and affairs of any program funded under this
14 section in a form and manner prescribed by the office of financial
15 management. A copy of the annual statement shall be filed with the
16 speaker of the house of representatives and the president of the
17 senate.

18 **Sec. 4.** RCW 43.84.092 and 2000 2nd sp.s. c 4 s 5 are each amended
19 to read as follows:

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

23 (2) The treasury income account shall be utilized to pay or receive
24 funds associated with federal programs as required by the federal cash
25 management improvement act of 1990. The treasury income account is
26 subject in all respects to chapter 43.88 RCW, but no appropriation is
27 required for refunds or allocations of interest earnings required by
28 the cash management improvement act. Refunds of interest to the
29 federal treasury required under the cash management improvement act
30 fall under RCW 43.88.180 and shall not require appropriation. The
31 office of financial management shall determine the amounts due to or
32 from the federal government pursuant to the cash management improvement
33 act. The office of financial management may direct transfers of funds
34 between accounts as deemed necessary to implement the provisions of the
35 cash management improvement act, and this subsection. Refunds or
36 allocations shall occur prior to the distributions of earnings set
37 forth in subsection (4) of this section.

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

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

13 (a) The following accounts and funds shall receive their
14 proportionate share of earnings based upon each account's and fund's
15 average daily balance for the period: The capitol building
16 construction account, the Cedar River channel construction and
17 operation account, the Central Washington University capital projects
18 account, the charitable, educational, penal and reformatory
19 institutions account, the common school construction fund, the county
20 criminal justice assistance account, the county sales and use tax
21 equalization account, the data processing building construction
22 account, the deferred compensation administrative account, the deferred
23 compensation principal account, the department of retirement systems
24 expense account, the drinking water assistance account, the Eastern
25 Washington University capital projects account, the education
26 construction fund, the emergency reserve fund, the federal forest
27 revolving account, the health services account, the public health
28 services account, the health system capacity account, the personal
29 health services account, the state higher education construction
30 account, the higher education construction account, the highway
31 infrastructure account, the industrial insurance premium refund
32 account, the judges' retirement account, the judicial retirement
33 administrative account, the judicial retirement principal account, the
34 local leasehold excise tax account, the local real estate excise tax
35 account, the local sales and use tax account, the medical aid account,
36 the mobile home park relocation fund, the multimodal transportation
37 account, the municipal criminal justice assistance account, the
38 municipal sales and use tax equalization account, the natural resources
39 deposit account, the perpetual surveillance and maintenance account,

1 the public employees' retirement system plan 1 account, the public
2 employees' retirement system plan 2 account, the public health
3 supplemental account, the Puyallup tribal settlement account, the
4 resource management cost account, the site closure account, the special
5 wildlife account, the state employees' insurance account, the state
6 employees' insurance reserve account, the state investment board
7 expense account, the state investment board commingled trust fund
8 accounts, the supplemental pension account, the teachers' retirement
9 system plan 1 account, the teachers' retirement system combined plan 2
10 and plan 3 account, the tobacco prevention and control account, the
11 tobacco settlement account, the transportation infrastructure account,
12 the tuition recovery trust fund, the University of Washington bond
13 retirement fund, the University of Washington building account, the
14 volunteer fire fighters' and reserve officers' relief and pension
15 principal fund, the volunteer fire fighters' and reserve officers'
16 administrative fund, the Washington judicial retirement system account,
17 the Washington law enforcement officers' and fire fighters' system plan
18 1 retirement account, the Washington law enforcement officers' and fire
19 fighters' system plan 2 retirement account, the Washington school
20 employees' retirement system combined plan 2 and 3 account, the
21 Washington state health insurance pool account, the Washington state
22 patrol retirement account, the Washington State University building
23 account, the Washington State University bond retirement fund, the
24 water pollution control revolving fund, and the Western Washington
25 University capital projects account. Earnings derived from investing
26 balances of the agricultural permanent fund, the normal school
27 permanent fund, the permanent common school fund, the scientific
28 permanent fund, and the state university permanent fund shall be
29 allocated to their respective beneficiary accounts. All earnings to be
30 distributed under this subsection (4)(a) shall first be reduced by the
31 allocation to the state treasurer's service fund pursuant to RCW
32 43.08.190.

33 (b) The following accounts and funds shall receive eighty percent
34 of their proportionate share of earnings based upon each account's or
35 fund's average daily balance for the period: The aeronautics account,
36 the aircraft search and rescue account, the county arterial
37 preservation account, the department of licensing services account, the
38 essential rail assistance account, the ferry bond retirement fund, the
39 grade crossing protective fund, the high capacity transportation

1 account, the highway bond retirement fund, the highway safety account,
2 the motor vehicle fund, the motorcycle safety education account, the
3 pilotage account, the public transportation systems account, the Puget
4 Sound capital construction account, the Puget Sound ferry operations
5 account, the recreational vehicle account, the rural arterial trust
6 account, the safety and education account, the special category C
7 account, the state patrol highway account, the transportation equipment
8 fund, the transportation fund, the transportation improvement account,
9 the transportation improvement board bond retirement account, and the
10 urban arterial trust account.

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

14 **Sec. 5.** RCW 43.84.092 and 2000 2nd sp.s. c 4 s 6 are each amended
15 to read as follows:

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

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

34 (3) Except for the provisions of RCW 43.84.160, the treasury income
35 account may be utilized for the payment of purchased banking services
36 on behalf of treasury funds including, but not limited to, depository,
37 safekeeping, and disbursement functions for the state treasury and
38 affected state agencies. The treasury income account is subject in all

1 respects to chapter 43.88 RCW, but no appropriation is required for
2 payments to financial institutions. Payments shall occur prior to
3 distribution of earnings set forth in subsection (4) of this section.

4 (4) Monthly, the state treasurer shall distribute the earnings
5 credited to the treasury income account. The state treasurer shall
6 credit the general fund with all the earnings credited to the treasury
7 income account except:

8 (a) The following accounts and funds shall receive their
9 proportionate share of earnings based upon each account's and fund's
10 average daily balance for the period: The capitol building
11 construction account, the Cedar River channel construction and
12 operation account, the Central Washington University capital projects
13 account, the charitable, educational, penal and reformatory
14 institutions account, the common school construction fund, the county
15 criminal justice assistance account, the county sales and use tax
16 equalization account, the data processing building construction
17 account, the deferred compensation administrative account, the deferred
18 compensation principal account, the department of retirement systems
19 expense account, the drinking water assistance account, the Eastern
20 Washington University capital projects account, the education
21 construction fund, the emergency reserve fund, the federal forest
22 revolving account, the health services account, the public health
23 services account, the health system capacity account, the personal
24 health services account, the state higher education construction
25 account, the higher education construction account, the highway
26 infrastructure account, the industrial insurance premium refund
27 account, the judges' retirement account, the judicial retirement
28 administrative account, the judicial retirement principal account, the
29 local leasehold excise tax account, the local real estate excise tax
30 account, the local sales and use tax account, the medical aid account,
31 the mobile home park relocation fund, the multimodal transportation
32 account, the municipal criminal justice assistance account, the
33 municipal sales and use tax equalization account, the natural resources
34 deposit account, the perpetual surveillance and maintenance account,
35 the public employees' retirement system plan 1 account, the public
36 employees' retirement system combined plan 2 and plan 3 account, the
37 public health supplemental account, the Puyallup tribal settlement
38 account, the resource management cost account, the site closure
39 account, the special wildlife account, the state employees' insurance

1 account, the state employees' insurance reserve account, the state
2 investment board expense account, the state investment board commingled
3 trust fund accounts, the supplemental pension account, the teachers'
4 retirement system plan 1 account, the teachers' retirement system
5 combined plan 2 and plan 3 account, the tobacco prevention and control
6 account, the tobacco settlement account, the transportation
7 infrastructure account, the tuition recovery trust fund, the University
8 of Washington bond retirement fund, the University of Washington
9 building account, the volunteer fire fighters' and reserve officers'
10 relief and pension principal fund, the volunteer fire fighters' and
11 reserve officers' administrative fund, the Washington judicial
12 retirement system account, the Washington law enforcement officers' and
13 fire fighters' system plan 1 retirement account, the Washington law
14 enforcement officers' and fire fighters' system plan 2 retirement
15 account, the Washington school employees' retirement system combined
16 plan 2 and 3 account, the Washington state health insurance pool
17 account, the Washington state patrol retirement account, the Washington
18 State University building account, the Washington State University bond
19 retirement fund, the water pollution control revolving fund, and the
20 Western Washington University capital projects account. Earnings
21 derived from investing balances of the agricultural permanent fund, the
22 normal school permanent fund, the permanent common school fund, the
23 scientific permanent fund, and the state university permanent fund
24 shall be allocated to their respective beneficiary accounts. All
25 earnings to be distributed under this subsection (4)(a) shall first be
26 reduced by the allocation to the state treasurer's service fund
27 pursuant to RCW 43.08.190.

28 (b) The following accounts and funds shall receive eighty percent
29 of their proportionate share of earnings based upon each account's or
30 fund's average daily balance for the period: The aeronautics account,
31 the aircraft search and rescue account, the county arterial
32 preservation account, the department of licensing services account, the
33 essential rail assistance account, the ferry bond retirement fund, the
34 grade crossing protective fund, the high capacity transportation
35 account, the highway bond retirement fund, the highway safety account,
36 the motor vehicle fund, the motorcycle safety education account, the
37 pilotage account, the public transportation systems account, the Puget
38 Sound capital construction account, the Puget Sound ferry operations
39 account, the recreational vehicle account, the rural arterial trust

1 account, the safety and education account, the special category C
2 account, the state patrol highway account, the transportation equipment
3 fund, the transportation fund, the transportation improvement account,
4 the transportation improvement board bond retirement account, and the
5 urban arterial trust account.

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

9 NEW SECTION. **Sec. 6.** Section 4 of this act expires March 1, 2002.

10 NEW SECTION. **Sec. 7.** Section 5 of this act takes effect March 1,
11 2002.

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