
HOUSE BILL 1123

State of Washington 58th Legislature 2003 Regular Session

By Representatives Kenney, Cox, Fromhold, Jarrett, Berkey, Chase, Kessler, Wallace, Conway, Wood, Cody, McCoy and Upthegrove

Read first time 01/17/2003. Referred to Committee on Higher Education.

1 AN ACT Relating to creating a state financial aid account to ensure
2 that all statewide financial aid is made available; reenacting and
3 amending RCW 43.79A.040; adding a new section to chapter 28B.10 RCW;
4 providing an effective date; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 28B.10 RCW
7 to read as follows:

8 (1) The state financial aid account is created in the custody of
9 the state treasurer. The primary purpose of the account is to ensure
10 that all appropriations designated for financial aid through statewide
11 student financial aid programs are made available to eligible students.
12 The account shall be a nontreasury account retaining its interest
13 earnings in accordance with RCW 43.79A.040.

14 (2) The higher education coordinating board shall deposit in the
15 account all money received for the state need grant program established
16 under RCW 28B.10.800, the state work-study program established under
17 chapter 28B.12 RCW, the Washington scholars program established under
18 RCW 28A.600.110, the Washington award for vocational excellence program
19 established under RCW 28C.04.525, and the educational opportunity grant

1 program established under chapter 28B.101 RCW. The account shall
2 consist of funds appropriated by the legislature for the programs
3 listed in this subsection and private contributions to the programs.

4 (3) Expenditures from the account shall be used for scholarships to
5 students eligible for the programs according to program rules and
6 policies.

7 (4) With the exception of the operating costs associated with the
8 management of the account by the treasurer's office as authorized in
9 chapter 43.79 RCW, the account shall be credited with all investment
10 income earned by the account.

11 (5) Disbursements from the account are exempt from appropriations
12 and the allotment provisions of chapter 43.88 RCW.

13 (6) Only the executive director of the higher education
14 coordinating board or the executive director's designee may authorize
15 expenditures from the account.

16 **Sec. 2.** RCW 43.79A.040 and 2002 c 322 s 5, 2002 c 204 s 7, and
17 2002 c 61 s 6 are each reenacted and amended to read as follows:

18 (1) Money in the treasurer's trust fund may be deposited, invested,
19 and reinvested by the state treasurer in accordance with RCW 43.84.080
20 in the same manner and to the same extent as if the money were in the
21 state treasury.

22 (2) All income received from investment of the treasurer's trust
23 fund shall be set aside in an account in the treasury trust fund to be
24 known as the investment income account.

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

33 (4)(a) Monthly, the state treasurer shall distribute the earnings
34 credited to the investment income account to the state general fund
35 except under (b) and (c) of this subsection.

36 (b) The following accounts and funds shall receive their
37 proportionate share of earnings based upon each account's or fund's

1 average daily balance for the period: The Washington promise
2 scholarship account, the college savings program account, the
3 Washington advanced college tuition payment program account, the state
4 financial aid account, the agricultural local fund, the American Indian
5 scholarship endowment fund, the basic health plan self-insurance
6 reserve account, the Washington state combined fund drive account, the
7 Washington international exchange scholarship endowment fund, the
8 developmental disabilities endowment trust fund, the energy account,
9 the fair fund, the fruit and vegetable inspection account, the game
10 farm alternative account, the grain inspection revolving fund, the
11 juvenile accountability incentive account, the rural rehabilitation
12 account, the stadium and exhibition center account, the youth athletic
13 facility account, the self-insurance revolving fund, the sulfur dioxide
14 abatement account, and the children's trust fund. However, the
15 earnings to be distributed shall first be reduced by the allocation to
16 the state treasurer's service fund pursuant to RCW 43.08.190.

17 (c) The following accounts and funds shall receive eighty percent
18 of their proportionate share of earnings based upon each account's or
19 fund's average daily balance for the period: The advanced right of way
20 revolving fund, the advanced environmental mitigation revolving
21 account, the city and county advance right-of-way revolving fund, the
22 federal narcotics asset forfeitures account, the high occupancy vehicle
23 account, the local rail service assistance account, and the
24 miscellaneous transportation programs account.

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

28 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
29 preservation of the public peace, health, or safety, or support of the
30 state government and its existing public institutions, and takes effect
31 July 1, 2003.

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