

HOUSE BILL REPORT

HB 1901

As Reported by House Committee On:
Higher Education

Title: An act relating to establishing additional health sciences and services authorities in certain areas.

Brief Description: Establishing additional health sciences and services authorities in certain areas.

Sponsors: Representatives Johnson, Warnick, Chandler, Ross, Cody, Newhouse, Wood, Moeller, Pedersen, Appleton, Ericksen, Cox, Finn, Lias, Quall, Dammeier, Haler, Hunt, Angel, Schmick, Armstrong, Jacks, Maxwell, Probst, Morrell and Hinkle.

Brief History:

Committee Activity:

Higher Education: 2/18/09, 2/20/09 [DP].

Brief Summary of Bill

- Authorizes the creation of a second Health Sciences and Services Authority (Authority).
- Limits the location of an Authority to counties with a population of less than one million persons lying east of the crest of the Cascade Mountains.
- Expands the purpose of an Authority to include the advancement of new programs to combat disease and promote public health.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass. Signed by 10 members: Representatives Wallace, Chair; Sells, Vice Chair; Anderson, Ranking Minority Member; Schmick, Assistant Ranking Minority Member; Angel, Carlyle, Driscoll, Haler, Hasegawa and White.

Staff: Cece Clynch (786-7195)

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Health Sciences and Services Authority.

Legislation passed in 2007 authorized the creation of a Health Sciences and Services Authority (Authority) to promote bioscience-based economic development and advance new therapies and procedures to combat disease and promote public health. The creation of just a single Authority was authorized, and only in a county with a population of less than one million persons.

An individual local government, or local governments joining together, may establish such an Authority by ordinance or resolution. The ordinance or resolution must specify the powers of the Authority, establish an administrative board, clarify the geographic boundaries of the Authority, and provide investment guidelines.

An Authority is overseen by a board of not more than 14 members and has all the general powers necessary to carry out its purposes and duties, such as the power to make and execute agreements and contracts, establish special funds, hire staff, incur general indebtedness, leverage the Authority's public funds with moneys received from other public and private sources, hold funds received by the Authority in trust, and make grants to entities to promote bioscience-based economic development.

The legislative authority of a local jurisdiction that has created an Authority may impose a sales and use tax of 0.0020 percent which will be deducted from the state's portion of the sales and use tax collected by the Department of Revenue (DOR). The DOR is required to collect the tax on behalf of the Authority. The amounts received by the Authority may only be used as specified in the Authority's powers and duties and to retire indebtedness.

Higher Education Coordinating Board.

The Higher Education Coordinating Board (HECB) was authorized to approve or reject applications submitted by local governments for an area's designation as an Authority. The HECB was also charged with adopting any rules necessary to implement the Authority program, as well as responsibility for developing evaluation and performance measures in order to evaluate the effectiveness of an Authority's activities. The Board is required to report to the Legislature on a biennial basis, beginning December 1, 2009.

In November of 2007 the HECB released a Request for Applications for designation of an Authority. Although several local jurisdictions inquired, only Spokane County submitted an application. By resolution, the HECB approved the designation of an Authority in Spokane County.

Summary of Bill:

The creation of a second area Authority is authorized. Authorities may only be created in a county with a population of less than one million persons that is located east of the crest of the Cascade Mountains. The purpose is expanded to also include the advancement of new

programs, as well as new therapies and procedures, to combat disease and promote public health.

Applications from interested local governments are due by December 31, 2009, and must be processed by the HECB within 60 days of submission.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 18, 2009.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Recently, a new osteopathic medicine school opened in Yakima. The first class of 75 students is just completing the first year. Pacific Northwest University of Health Sciences - College of Osteopathic Medicine is the first new medical school in 60 years. These students will primarily go into family medicine which is where the shortages are. At the present time, 38 of Washington's 39 counties are medically underserved, particularly in rural areas. Creation of an Authority in the Yakima area will allow the expansion of health services and sciences programs without raising taxes. Instead, the Authority would be allowed to retain some of the sales taxes which are already generated in the Yakima area. This is a jobs creation measure which can spawn research and innovations. Advances in public health, as well as the creation of jobs, will result, benefitting both the Yakima area and the state. More family doctors will reduce the cost of health care. An Authority in Yakima will serve as a complement to the one now in Spokane. Studies have shown that graduates of osteopathic medicine colleges tend to go into primary care and remain in the surrounding area. For accreditation, the school must have a research component. The school, and this bill, marry the direct service aspect of primary care with a research component.

(Opposed) None.

Persons Testifying: Representative Johnson, prime sponsor; Representative Warnick, Representative Cody; Dave McFadden, New Vision; Dr. Stan Flemming and Karen Hyatt, Pacific Northwest University of Health Sciences; Maurine Adkison, Yakima Regional Hospital; Kevin Bouchey, Yakima County Commissioner; and Kathy Coffee, Yakima City Council.

Persons Signed In To Testify But Not Testifying: None.