

EHB 1823 - S COMM AMD
By Committee on Ways & Means

ADOPTED AND ENGROSSED 04/12/2023

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

3 **"Sec. 1.** RCW 28B.93.005 and 2022 c 206 s 1 are each amended to
4 read as follows:

5 (1) The legislature finds that college students continue to
6 borrow in order to fund their higher education, despite an increase
7 in access to state financial aid. In Washington state, estimates for
8 the number of borrowers carrying student loan debt are around 800,000
9 with an average balance around \$33,500, resulting in a total
10 outstanding balance of \$29.4 billion. Student loan debt outpaces
11 other sources of consumer debt, such as credit card and vehicle debt.
12 While research shows that earning a postsecondary credential
13 positively impacts a person's earning potential, high student loan
14 debt erodes much of this benefit.

15 (2) The legislature recognizes that people with student loan debt
16 are less likely to get married and start a family, establish small
17 businesses, and buy homes. High student loan debt negatively impacts
18 a person's credit score and their debt-to-income ratio, which impacts
19 their ability to qualify for a mortgage. However, student loan debt
20 does not impact all borrowers the same.

21 (3) Student loan borrowers who struggle the most are typically
22 lower income, first generation, and students of color. Data from the
23 national center for education statistics of a 12-year longitudinal
24 study based on students who began their education in the 2003-04
25 academic year found the following for students who defaulted: Almost
26 90 percent had received a Pell grant at one point; 70 percent were
27 first generation college students; 40 percent were in the bottom
28 quarter of income distribution; and 30 percent were African American.

29 (4) The legislature recognizes though that student loans are
30 beneficial for students who have no other way to pay for college or
31 have expenses beyond tuition and fees. Student loans can open up
32 postsecondary education opportunities for many and help boost the

1 state's economy by increasing the number of qualified graduates to
2 fulfill workforce shortages. However, the legislature finds that high
3 interest rates that accumulate while the student is in college
4 negatively impact the student's ability to prosper financially and
5 contribute to the state's economy after graduation. The legislature
6 also recognizes that there is very little financial aid available to
7 assist students pursuing graduate studies, despite the state's high
8 demand for qualified professionals in fields with workforce shortages
9 such as behavioral health, nursing, software development, teaching,
10 and more. Therefore, the legislature intends to support students
11 pursuing higher education by establishing a state student loan
12 program that is more affordable than direct federal student loans and
13 private loans. The legislature intends to offer student loans to
14 state residents with financial need who are pursuing (~~undergraduate~~
15 ~~and~~) high-demand graduate studies at a subsidized(~~(, one percent)~~)
16 interest rate not to exceed 2.5 percent. The legislature intends for
17 the Washington state student loan program to align with the
18 Washington college grant program, recognizing that student loans are
19 secondary forms of financial aid that often cover expenses beyond
20 tuition. (~~(Based on the feasibility of the state student loan program~~
21 ~~recommendations developed by the Washington student achievement~~
22 ~~council, in consultation with the Washington state investment board,~~
23 ~~and the office of the state treasurer, the legislature intends to~~
24 ~~finance the Washington state student loan program with a one-time~~
25 ~~\$150,000,000 appropriation to cover annual student loan originations~~
26 ~~and expenses until repayments are substantial enough to support the~~
27 ~~program on an ongoing basis.))~~

28 **Sec. 2.** RCW 28B.93.010 and 2022 c 206 s 2 are each amended to
29 read as follows:

30 The definitions in this section apply throughout this chapter
31 unless the context clearly requires otherwise.

32 (1) "Borrower" means an eligible student who has received a
33 student loan under the Washington student loan program.

34 (2) "Eligible expenses" means reasonable expenses associated with
35 the costs of acquiring a postsecondary education such as tuition,
36 fees, books, equipment, room and board, and other expenses as
37 determined by the office.

38 (3) "Eligible graduate program" means an advanced academic degree
39 in a specialized field of study that has a workforce shortage or is

1 considered high demand including, but not limited to, professions in
2 health care, behavioral and mental health, early education, K-12,
3 higher education, law enforcement, public safety, and others, as
4 determined by the office.

5 (4) "Eligible student" means a student who:

6 (a) Meets the definition of "resident student" under RCW
7 28B.15.012(2) (a) through (e);

8 (b) Has a median family income of 100 percent or less of the
9 state median family income;

10 (c) Is enrolled in an institution of higher education in an
11 eligible (~~undergraduate or~~) graduate program on at least a half-
12 time basis; and

13 (d) Has completed an annual application for financial aid as
14 approved by the office.

15 (~~(5) ("Eligible undergraduate program" means a postsecondary~~
16 ~~education program that leads to a certificate, associate's degree, or~~
17 ~~bachelor's degree.~~

18 ~~(6))~~ "Gift aid" means federal, state, institutional, or private
19 financial aid provided for educational purposes with no obligation of
20 repayment. "Gift aid" does not include student loans or work-study
21 programs.

22 ~~((7))~~ (6) "Institutions of higher education" includes
23 institutions of higher education authorized to participate in state
24 financial aid programs in accordance with chapter 28B.92 RCW.

25 ~~((8))~~ (7) "Office" means the office of student financial
26 assistance established under chapter 28B.76 RCW.

27 ~~((9))~~ (8) "Program" means the Washington student loan program.

28 ~~((10))~~ (9) "Student loan" means a loan that is approved by the
29 office and awarded to an eligible student to pay for eligible
30 expenses.

31 **Sec. 3.** RCW 28B.93.020 and 2022 c 206 s 3 are each amended to
32 read as follows:

33 (1) The Washington student achievement council, in consultation
34 with the office of the state treasurer and the state investment
35 board(~~(+,+)~~), shall design a student loan program to assist students
36 who need additional financial support to obtain postsecondary
37 education.

1 (2) At a minimum, the program design must make recommendations
2 about the following features of a state student loan program and
3 implementation plan:

4 (a) A low interest rate that is below current federal subsidized
5 student loan interest rates (~~(, with one option being a one)~~) not to
6 exceed 2.5 percent (~~(interest rate)~~);

7 (~~(The distribution of loans between graduate students and~~
8 ~~undergraduate students;~~

9 ~~(e)~~) The terms of the loans, including:

10 (i) Loan limits not to exceed \$20,000 annually per borrower;

11 (ii) Grace periods, including grace periods for active duty
12 members of the national guard who may lose eligibility when being
13 called up for active duty; and

14 (iii) Minimum postsecondary enrollment standards;

15 (~~(d)~~) (c) The terms and administration of a repayment program,
16 including:

17 (i) Repayment options such as standard loan repayment contracts
18 and the length of the repayment contracts, which shall not exceed 25
19 years;

20 (ii) Income-based repayment plans; and

21 (iii) Terms of loan forgiveness;

22 (~~(e)~~) (d) The types and characteristics of borrowers permitted
23 to participate in the program including family income, degree and
24 credential types, and other borrower characteristics. The program
25 must prioritize low-income borrowers; and

26 (~~(f)~~) (e) The design and administration of an appeals process.

27 (3) In the design of the program, the Washington student
28 achievement council may recommend contracting with one or more state-
29 based financial institutions regulated by either chapter 31.12 or
30 30A.04 RCW to provide loan origination and may contract with a third-
31 party entity to provide loan servicing for the program. The
32 Washington student achievement council must use an open and
33 competitive bid process in the selection of one or more (~~(state-~~
34 ~~based)~~) financial institutions for loan origination and servicing for
35 the program. A third-party entity providing loan servicing shall
36 comply with all of the requirements for student education loan
37 servicers under chapter 31.04 RCW.

38 (4) The Washington student achievement council (~~(shall contract~~
39 ~~with an independent actuary to conduct an analysis on the~~
40 ~~sustainability of the program design, including the ability of the~~

1 ~~program to operate as self-sustaining if issuing one percent interest~~
2 ~~rate loans)) may retain a consultant to design a loan program,~~
3 ~~including one or more financial advisors, to provide consultation on~~
4 ~~the sustainability of the loan program.~~

5 (5) The Washington student achievement council shall provide a
6 report on the design, sustainability, and implementation plan for the
7 program to the governor and the higher education committees of the
8 legislature by December 1, ~~((2022))~~ 2023, in accordance with RCW
9 43.01.036.

10 **Sec. 4.** RCW 28B.93.030 and 2022 c 206 s 4 are each amended to
11 read as follows:

12 (1) The Washington student loan program is created to assist
13 students who need additional financial support to obtain
14 postsecondary education. Beginning in the ~~((2024-25))~~ 2025-26
15 academic year, the office may award student loans under the program
16 to eligible students from the funds available in RCW 28B.93.060.

17 (2) The program shall be administered by the office. To the
18 extent practicable, the program design must include the
19 recommendations for program design as provided in the report required
20 under RCW 28B.93.020 ~~((Student loans shall not be issued unless the~~
21 ~~program design recommended in RCW 28B.93.020 is forecasted by an~~
22 ~~independent actuary to be self-sustaining and the interest rates for~~
23 ~~the loans issued under the program do not exceed one percent)),~~
24 including that the Washington student loan account have a minimum
25 life cycle of seven years and that loans issued under the program do
26 not exceed 2.5 percent.

27 (3) The office is responsible for providing administrative
28 support to execute the duties and responsibilities provided in this
29 chapter. The duties and responsibilities include:

30 (a) Ensure institutions of higher education have a policy for
31 awarding student loans under the program that prioritizes funding for
32 eligible students who have greater unmet financial need, are lowest
33 income, are first generation college students, ~~((and))~~ are
34 demographically underrepresented, do not qualify for federally funded
35 student financial aid, or who have received loans under the program
36 in prior years;

37 (b) Issue low-interest student loans not to exceed 2.5 percent,
38 of which interest accrues during all periods except when enrolled in
39 an eligible graduate degree program;

1 (c) Define the terms of repayment, which shall not exceed 25
2 years in length unless provided for under (f) of this subsection;

3 (d) Collect and manage repayments from borrowers;

4 (e) Establish an appeals process;

5 (f) Exercise discretion to revise repayment obligations in
6 certain cases, such as economic hardship or disability;

7 (g) Publicize the program; and

8 (h) Adopt necessary rules.

9 (4) The office is responsible for establishing and administering
10 an appeals process that resolves appeals from borrowers within ninety
11 days of receipt.

12 **Sec. 5.** RCW 28B.93.040 and 2022 c 206 s 5 are each amended to
13 read as follows:

14 The office (~~shall~~) may contract with one or more state-based
15 financial institutions regulated by either chapter 31.12 RCW or
16 chapter 30A.04 RCW to provide loan origination and may contract with
17 a third-party entity to provide loan servicing for the program. A
18 third-party entity providing loan servicing shall comply with all of
19 the requirements for student education loan servicers under chapter
20 31.04 RCW.

21 **Sec. 6.** RCW 28B.93.050 and 2022 c 206 s 6 are each amended to
22 read as follows:

23 (1) The office shall collect data on the program in collaboration
24 with the institutions of higher education. The data must include, but
25 is not limited to:

26 (a) The number of eligible students who were awarded a student
27 loan;

28 (b) The number of borrowers;

29 (c) The average borrowed annual and total balances;

30 (d) Borrower demographics;

31 (e) The institutions of higher education and educational fields
32 of borrowers; (~~and~~)

33 (f) Postgraduation employment data;

34 (g) Time to degree completion; and

35 (h) Repayment statistics, including:

36 (i) The number of borrowers in active repayment, deferment,
37 delinquency, forbearance, and default;

1 (ii) The average time it took for borrowers to enter delinquency
2 and default;

3 (iii) Demographic and educational data of borrowers enrolled in
4 the income-based repayment plan option;

5 (iv) Demographic and educational data of borrowers in different
6 repayment statuses, including delinquency and default; and

7 (v) Information about what happened to borrowers who defaulted.

8 (2) Beginning December 1, ~~((2026))~~ 2027, and in compliance with
9 RCW 43.01.036, the office must submit an annual report on the data
10 collected under subsection (1) of this section and any other relevant
11 information regarding the program to the higher education committees
12 of the legislature.

13 **Sec. 7.** RCW 28B.93.060 and 2022 c 206 s 7 are each amended to
14 read as follows:

15 (1) The Washington student loan account is created in the
16 ((custody of the state treasurer)) state treasury. All receipts from
17 the Washington student loan program must be deposited in the account.
18 Expenditures from the account may be used only for administration and
19 the issuance of new student loans. ((Only the executive director of
20 the Washington student achievement council or the executive
21 director's designee may authorize expenditures from the account. The
22 account is subject to the allotment procedures under chapter 43.88
23 RCW, moneys)) Moneys in the account may be spent only after
24 appropriation.

25 (2) (a) The legislature may appropriate no more than a total of
26 \$40,000,000 for the program during four consecutive fiscal years,
27 beginning with the first fiscal year from which loans are issued from
28 the account. In the fifth fiscal year following the fiscal year in
29 which the first student loan was issued, the legislature may
30 appropriate up to \$10,000,000 for the program.

31 (b) The legislature may appropriate moneys from the account for
32 the administrative and implementation costs of the program in the
33 fiscal years prior to the first fiscal year in which loans are issued
34 from the account.

35 **Sec. 8.** RCW 43.79A.040 and 2022 c 244 s 3, 2022 c 206 s 8, 2022
36 c 183 s 16, and 2022 c 162 s 6 are each reenacted and amended to read
37 as follows:

1 (1) Money in the treasurer's trust fund may be deposited,
2 invested, and reinvested by the state treasurer in accordance with
3 RCW 43.84.080 in the same manner and to the same extent as if the
4 money were in the state treasury, and may be commingled with moneys
5 in the state treasury for cash management and cash balance purposes.

6 (2) All income received from investment of the treasurer's trust
7 fund must be set aside in an account in the treasury trust fund to be
8 known as the investment income account.

9 (3) The investment income account may be utilized for the payment
10 of purchased banking services on behalf of treasurer's trust funds
11 including, but not limited to, depository, safekeeping, and
12 disbursement functions for the state treasurer or affected state
13 agencies. The investment income account is subject in all respects to
14 chapter 43.88 RCW, but no appropriation is required for payments to
15 financial institutions. Payments must occur prior to distribution of
16 earnings set forth in subsection (4) of this section.

17 (4) (a) Monthly, the state treasurer must distribute the earnings
18 credited to the investment income account to the state general fund
19 except under (b), (c), and (d) of this subsection.

20 (b) The following accounts and funds must receive their
21 proportionate share of earnings based upon each account's or fund's
22 average daily balance for the period: The 24/7 sobriety account, the
23 Washington promise scholarship account, the Gina Grant Bull memorial
24 legislative page scholarship account, the Rosa Franklin legislative
25 internship program scholarship account, the Washington advanced
26 college tuition payment program account, the Washington college
27 savings program account, the accessible communities account, the
28 Washington achieving a better life experience program account, the
29 Washington career and college pathways innovation challenge program
30 account, the community and technical college innovation account, the
31 agricultural local fund, the American Indian scholarship endowment
32 fund, the behavioral health loan repayment program account, the
33 foster care scholarship endowment fund, the foster care endowed
34 scholarship trust fund, the contract harvesting revolving account,
35 the Washington state combined fund drive account, the commemorative
36 works account, the county enhanced 911 excise tax account, the county
37 road administration board emergency loan account, the toll collection
38 account, the developmental disabilities endowment trust fund, the
39 energy account, the energy facility site evaluation council account,
40 the fair fund, the family and medical leave insurance account, the

1 fish and wildlife federal lands revolving account, the natural
2 resources federal lands revolving account, the food animal
3 veterinarian conditional scholarship account, the forest health
4 revolving account, the fruit and vegetable inspection account, the
5 educator conditional scholarship account, the game farm alternative
6 account, the GET ready for math and science scholarship account, the
7 Washington global health technologies and product development
8 account, the grain inspection revolving fund, the Washington history
9 day account, the industrial insurance rainy day fund, the juvenile
10 accountability incentive account, the law enforcement officers' and
11 firefighters' plan 2 expense fund, the local tourism promotion
12 account, the low-income home rehabilitation revolving loan program
13 account, the multiagency permitting team account, the northeast
14 Washington wolf-livestock management account, the produce railcar
15 pool account, the public use general aviation airport loan revolving
16 account, the regional transportation investment district account, the
17 rural rehabilitation account, the Washington sexual assault kit
18 account, the stadium and exhibition center account, the youth
19 athletic facility account, the self-insurance revolving fund, the
20 children's trust fund, the Washington horse racing commission
21 Washington bred owners' bonus fund and breeder awards account, the
22 Washington horse racing commission class C purse fund account, the
23 individual development account program account, the Washington horse
24 racing commission operating account, the life sciences discovery
25 fund, the Washington state library-archives building account, the
26 reduced cigarette ignition propensity account, the center for deaf
27 and hard of hearing youth account, the school for the blind account,
28 the Millersylvania park trust fund, the public employees' and
29 retirees' insurance reserve fund, the school employees' benefits
30 board insurance reserve fund, the public employees' and retirees'
31 insurance account, the school employees' insurance account, the long-
32 term services and supports trust account, the radiation perpetual
33 maintenance fund, the Indian health improvement reinvestment account,
34 the department of licensing tuition recovery trust fund, the student
35 achievement council tuition recovery trust fund, the tuition recovery
36 trust fund, (~~the Washington student loan account,~~) the industrial
37 insurance premium refund account, the mobile home park relocation
38 fund, the natural resources deposit fund, the Washington state health
39 insurance pool account, the federal forest revolving account, and the
40 library operations account.

1 (c) The following accounts and funds must receive 80 percent of
2 their proportionate share of earnings based upon each account's or
3 fund's average daily balance for the period: The advance right-of-way
4 revolving fund, the advanced environmental mitigation revolving
5 account, the federal narcotics asset forfeitures account, the high
6 occupancy vehicle account, the local rail service assistance account,
7 and the miscellaneous transportation programs account.

8 (d) Any state agency that has independent authority over accounts
9 or funds not statutorily required to be held in the custody of the
10 state treasurer that deposits funds into a fund or account in the
11 custody of the state treasurer pursuant to an agreement with the
12 office of the state treasurer shall receive its proportionate share
13 of earnings based upon each account's or fund's average daily balance
14 for the period.

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

18 **Sec. 9.** RCW 43.84.092 and 2022 c 182 s 403 are each amended to
19 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
24 receive funds associated with federal programs as required by the
25 federal cash management improvement act of 1990. The treasury income
26 account is subject in all respects to chapter 43.88 RCW, but no
27 appropriation is required for refunds or allocations of interest
28 earnings required by the cash management improvement act. Refunds of
29 interest to the federal treasury required under the cash management
30 improvement act fall under RCW 43.88.180 and shall not require
31 appropriation. The office of financial management shall determine the
32 amounts due to or from the federal government pursuant to the cash
33 management improvement act. The office of financial management may
34 direct transfers of funds between accounts as deemed necessary to
35 implement the provisions of the cash management improvement act, and
36 this subsection. Refunds or allocations shall occur prior to the
37 distributions of earnings set forth in subsection (4) of this
38 section.

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

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

14 (a) The following accounts and funds shall receive their
15 proportionate share of earnings based upon each account's and fund's
16 average daily balance for the period: The abandoned recreational
17 vehicle disposal account, the aeronautics account, the Alaskan Way
18 viaduct replacement project account, the ambulance transport fund,
19 the brownfield redevelopment trust fund account, the budget
20 stabilization account, the capital vessel replacement account, the
21 capitol building construction account, the Central Washington
22 University capital projects account, the charitable, educational,
23 penal and reformatory institutions account, the Chehalis basin
24 account, the Chehalis basin taxable account, the cleanup settlement
25 account, the climate active transportation account, the climate
26 transit programs account, the Columbia river basin water supply
27 development account, the Columbia river basin taxable bond water
28 supply development account, the Columbia river basin water supply
29 revenue recovery account, the common school construction fund, the
30 community forest trust account, the connecting Washington account,
31 the county arterial preservation account, the county criminal justice
32 assistance account, the deferred compensation administrative account,
33 the deferred compensation principal account, the department of
34 licensing services account, the department of retirement systems
35 expense account, the developmental disabilities community services
36 account, the diesel idle reduction account, the drinking water
37 assistance account, the administrative subaccount of the drinking
38 water assistance account, the early learning facilities development
39 account, the early learning facilities revolving account, the Eastern
40 Washington University capital projects account, the education

1 construction fund, the education legacy trust account, the election
2 account, the electric vehicle account, the energy freedom account,
3 the energy recovery act account, the essential rail assistance
4 account, The Evergreen State College capital projects account, the
5 fair start for kids account, the ferry bond retirement fund, the
6 fish, wildlife, and conservation account, the freight mobility
7 investment account, the freight mobility multimodal account, the
8 grade crossing protective fund, the public health services account,
9 the state higher education construction account, the higher education
10 construction account, the higher education retirement plan
11 supplemental benefit fund, the Washington student loan account, the
12 highway bond retirement fund, the highway infrastructure account, the
13 highway safety fund, the hospital safety net assessment fund, the
14 Interstate 405 and state route number 167 express toll lanes account,
15 the judges' retirement account, the judicial retirement
16 administrative account, the judicial retirement principal account,
17 the limited fish and wildlife account, the local leasehold excise tax
18 account, the local real estate excise tax account, the local sales
19 and use tax account, the marine resources stewardship trust account,
20 the medical aid account, the money-purchase retirement savings
21 administrative account, the money-purchase retirement savings
22 principal account, the motor vehicle fund, the motorcycle safety
23 education account, the move ahead WA account, the move ahead WA
24 flexible account, the multimodal transportation account, the multiuse
25 roadway safety account, the municipal criminal justice assistance
26 account, the oyster reserve land account, the pension funding
27 stabilization account, the perpetual surveillance and maintenance
28 account, the pilotage account, the pollution liability insurance
29 agency underground storage tank revolving account, the public
30 employees' retirement system plan 1 account, the public employees'
31 retirement system combined plan 2 and plan 3 account, the public
32 facilities construction loan revolving account, the public health
33 supplemental account, the public works assistance account, the Puget
34 Sound capital construction account, the Puget Sound ferry operations
35 account, the Puget Sound Gateway facility account, the Puget Sound
36 taxpayer accountability account, the real estate appraiser commission
37 account, the recreational vehicle account, the regional mobility
38 grant program account, the resource management cost account, the
39 rural arterial trust account, the rural mobility grant program
40 account, the rural Washington loan fund, the sexual assault

1 prevention and response account, the site closure account, the
2 skilled nursing facility safety net trust fund, the small city
3 pavement and sidewalk account, the special category C account, the
4 special wildlife account, the state investment board expense account,
5 the state investment board commingled trust fund accounts, the state
6 patrol highway account, the state reclamation revolving account, the
7 state route number 520 civil penalties account, the state route
8 number 520 corridor account, the statewide broadband account, the
9 statewide tourism marketing account, the supplemental pension
10 account, the Tacoma Narrows toll bridge account, the teachers'
11 retirement system plan 1 account, the teachers' retirement system
12 combined plan 2 and plan 3 account, the tobacco prevention and
13 control account, the tobacco settlement account, the toll facility
14 bond retirement account, the transportation 2003 account (nickel
15 account), the transportation equipment fund, the transportation
16 future funding program account, the transportation improvement
17 account, the transportation improvement board bond retirement
18 account, the transportation infrastructure account, the
19 transportation partnership account, the traumatic brain injury
20 account, the University of Washington bond retirement fund, the
21 University of Washington building account, the voluntary cleanup
22 account, the volunteer firefighters' and reserve officers' relief and
23 pension principal fund, the volunteer firefighters' and reserve
24 officers' administrative fund, the vulnerable roadway user education
25 account, the Washington judicial retirement system account, the
26 Washington law enforcement officers' and firefighters' system plan 1
27 retirement account, the Washington law enforcement officers' and
28 firefighters' system plan 2 retirement account, the Washington public
29 safety employees' plan 2 retirement account, the Washington school
30 employees' retirement system combined plan 2 and 3 account, the
31 Washington state patrol retirement account, the Washington State
32 University building account, the Washington State University bond
33 retirement fund, the water pollution control revolving administration
34 account, the water pollution control revolving fund, the Western
35 Washington University capital projects account, the Yakima integrated
36 plan implementation account, the Yakima integrated plan
37 implementation revenue recovery account, and the Yakima integrated
38 plan implementation taxable bond account. Earnings derived from
39 investing balances of the agricultural permanent fund, the normal
40 school permanent fund, the permanent common school fund, the

1 scientific permanent fund, and the state university permanent fund
2 shall be allocated to their respective beneficiary accounts.

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

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

12 **Sec. 10.** RCW 43.84.092 and 2022 c 182 s 404 are each amended to
13 read as follows:

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

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

33 (3) Except for the provisions of RCW 43.84.160, the treasury
34 income account may be utilized for the payment of purchased banking
35 services on behalf of treasury funds including, but not limited to,
36 depository, safekeeping, and disbursement functions for the state
37 treasury and affected state agencies. The treasury income account is
38 subject in all respects to chapter 43.88 RCW, but no appropriation is
39 required for payments to financial institutions. Payments shall occur

1 prior to distribution of earnings set forth in subsection (4) of this
2 section.

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

7 (a) The following accounts and funds shall receive their
8 proportionate share of earnings based upon each account's and fund's
9 average daily balance for the period: The abandoned recreational
10 vehicle disposal account, the aeronautics account, the Alaskan Way
11 viaduct replacement project account, the brownfield redevelopment
12 trust fund account, the budget stabilization account, the capital
13 vessel replacement account, the capitol building construction
14 account, the Central Washington University capital projects account,
15 the charitable, educational, penal and reformatory institutions
16 account, the Chehalis basin account, the Chehalis basin taxable
17 account, the cleanup settlement account, the climate active
18 transportation account, the climate transit programs account, the
19 Columbia river basin water supply development account, the Columbia
20 river basin taxable bond water supply development account, the
21 Columbia river basin water supply revenue recovery account, the
22 common school construction fund, the community forest trust account,
23 the connecting Washington account, the county arterial preservation
24 account, the county criminal justice assistance account, the deferred
25 compensation administrative account, the deferred compensation
26 principal account, the department of licensing services account, the
27 department of retirement systems expense account, the developmental
28 disabilities community services account, the diesel idle reduction
29 account, the drinking water assistance account, the administrative
30 subaccount of the drinking water assistance account, the early
31 learning facilities development account, the early learning
32 facilities revolving account, the Eastern Washington University
33 capital projects account, the education construction fund, the
34 education legacy trust account, the election account, the electric
35 vehicle account, the energy freedom account, the energy recovery act
36 account, the essential rail assistance account, The Evergreen State
37 College capital projects account, the fair start for kids account,
38 the ferry bond retirement fund, the fish, wildlife, and conservation
39 account, the freight mobility investment account, the freight
40 mobility multimodal account, the grade crossing protective fund, the

1 public health services account, the state higher education
2 construction account, the higher education construction account, the
3 higher education retirement plan supplemental benefit fund, the
4 Washington student loan account, the highway bond retirement fund,
5 the highway infrastructure account, the highway safety fund, the
6 hospital safety net assessment fund, the Interstate 405 and state
7 route number 167 express toll lanes account, the judges' retirement
8 account, the judicial retirement administrative account, the judicial
9 retirement principal account, the limited fish and wildlife account,
10 the local leasehold excise tax account, the local real estate excise
11 tax account, the local sales and use tax account, the marine
12 resources stewardship trust account, the medical aid account, the
13 money-purchase retirement savings administrative account, the money-
14 purchase retirement savings principal account, the motor vehicle
15 fund, the motorcycle safety education account, the move ahead WA
16 account, the move ahead WA flexible account, the multimodal
17 transportation account, the multiuse roadway safety account, the
18 municipal criminal justice assistance account, the oyster reserve
19 land account, the pension funding stabilization account, the
20 perpetual surveillance and maintenance account, the pilotage account,
21 the pollution liability insurance agency underground storage tank
22 revolving account, the public employees' retirement system plan 1
23 account, the public employees' retirement system combined plan 2 and
24 plan 3 account, the public facilities construction loan revolving
25 account, the public health supplemental account, the public works
26 assistance account, the Puget Sound capital construction account, the
27 Puget Sound ferry operations account, the Puget Sound Gateway
28 facility account, the Puget Sound taxpayer accountability account,
29 the real estate appraiser commission account, the recreational
30 vehicle account, the regional mobility grant program account, the
31 resource management cost account, the rural arterial trust account,
32 the rural mobility grant program account, the rural Washington loan
33 fund, the sexual assault prevention and response account, the site
34 closure account, the skilled nursing facility safety net trust fund,
35 the small city pavement and sidewalk account, the special category C
36 account, the special wildlife account, the state investment board
37 expense account, the state investment board commingled trust fund
38 accounts, the state patrol highway account, the state reclamation
39 revolving account, the state route number 520 civil penalties
40 account, the state route number 520 corridor account, the statewide

1 broadband account, the statewide tourism marketing account, the
2 supplemental pension account, the Tacoma Narrows toll bridge account,
3 the teachers' retirement system plan 1 account, the teachers'
4 retirement system combined plan 2 and plan 3 account, the tobacco
5 prevention and control account, the tobacco settlement account, the
6 toll facility bond retirement account, the transportation 2003
7 account (nickel account), the transportation equipment fund, the
8 transportation future funding program account, the transportation
9 improvement account, the transportation improvement board bond
10 retirement account, the transportation infrastructure account, the
11 transportation partnership account, the traumatic brain injury
12 account, the University of Washington bond retirement fund, the
13 University of Washington building account, the voluntary cleanup
14 account, the volunteer firefighters' and reserve officers' relief and
15 pension principal fund, the volunteer firefighters' and reserve
16 officers' administrative fund, the vulnerable roadway user education
17 account, the Washington judicial retirement system account, the
18 Washington law enforcement officers' and firefighters' system plan 1
19 retirement account, the Washington law enforcement officers' and
20 firefighters' system plan 2 retirement account, the Washington public
21 safety employees' plan 2 retirement account, the Washington school
22 employees' retirement system combined plan 2 and 3 account, the
23 Washington state patrol retirement account, the Washington State
24 University building account, the Washington State University bond
25 retirement fund, the water pollution control revolving administration
26 account, the water pollution control revolving fund, the Western
27 Washington University capital projects account, the Yakima integrated
28 plan implementation account, the Yakima integrated plan
29 implementation revenue recovery account, and the Yakima integrated
30 plan implementation taxable bond account. Earnings derived from
31 investing balances of the agricultural permanent fund, the normal
32 school permanent fund, the permanent common school fund, the
33 scientific permanent fund, and the state university permanent fund
34 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 NEW SECTION. **Sec. 11.** Section 9 of this act expires July 1,
5 2024.

6 NEW SECTION. **Sec. 12.** Section 10 of this act takes effect July
7 1, 2024."

EHB 1823 - S COMM AMD
By Committee on Ways & Means

ADOPTED 04/12/2023

8 On page 1, line 1 of the title, after "program;" strike the
9 remainder of the title and insert "amending RCW 28B.93.005,
10 28B.93.010, 28B.93.020, 28B.93.030, 28B.93.040, 28B.93.050,
11 28B.93.060, 43.84.092, and 43.84.092; reenacting and amending RCW
12 43.79A.040; providing an effective date; and providing an expiration
13 date."

--- END ---