

2SSB 6675 - H COMM AMD  
By Committee on Finance

ADOPTED 03/22/2010

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that the global  
4 health sector develops new technologies and products for the  
5 improvement of health delivery locally and worldwide and that  
6 Washington is home to the world's richest collection of global health  
7 research and education programs creating new and innovative  
8 technologies on a daily basis. It is the intent of the legislature to  
9 stimulate the state's economy and foster job creation in the emerging  
10 field of global health while improving the health of people in  
11 Washington state and the world. The purpose of this act is to create  
12 a funding mechanism and a grant program to ensure that Washington  
13 remains competitive in global health innovation and to guarantee that  
14 the development, manufacture, and delivery of global health products  
15 will become an even more dynamic part of the state's economy.

16 NEW SECTION. **Sec. 2.** (1) The Washington global health  
17 technologies and product development competitiveness program is  
18 created.

19 (2)(a) The program must be administered by a nonprofit organization  
20 exempt from income taxation under 26 U.S.C. Sec. 501(c)(6) of the  
21 federal internal revenue code whose board of directors is appointed by  
22 the governor. The governor must make the appointments after  
23 consultation with a statewide alliance of global health research,  
24 nonprofit, and private entities. The board consists of the following  
25 members:

26 (i) Three members representing private companies engaged in the  
27 provision of global health products or services;

28 (ii) Three members representing nonprofit organizations supporting  
29 global health research or providing global health products or services;

1 (iii) Three members representing public research institutions  
2 engaged in global health research and education; and

3 (iv) One member who is a former elected official.

4 (b) The governor must appoint the chair of the board from among the  
5 members. The governor must appoint the members to staggered terms and  
6 each appointment may not last more than three years, but an appointee  
7 may serve more than one term.

8 (3) The board must contract with the department of commerce for  
9 management services to assist the board in implementing the program.

10 (4) The board must solicit and receive gifts, grants, bequests,  
11 royalty payments, licensing income, and other funds from businesses,  
12 foundations, and the federal government to promote the development and  
13 delivery of global health technologies and products. All federal funds  
14 received must be deposited in the Washington global health technologies  
15 and product development account created in section 3 of this act. All  
16 remaining nonstate funds received must be deposited in an account that  
17 the board creates and administers to carry out the purposes of this  
18 section. Expenditures from the account created by the board may be  
19 used only for funding activities of the program created in this  
20 section. Of the total amounts deposited into these accounts, no more  
21 than three percent of the total funds may be used for the department of  
22 commerce's management services and administrative expenses related to  
23 the program created in this section.

24 (5) The board must establish eligibility criteria for global health  
25 technologies and product development grants and adopt policies and  
26 procedures to facilitate the orderly process of grant application,  
27 review, and reward.

28 (6) In making grants to entities pursuant to contract for the  
29 development, production, promotion, and delivery of global health  
30 technologies and products, the board must consider the following:

31 (a) The quality of the proposed research or the proposed technical  
32 assistance in product development or production process design. Any  
33 grant funds awarded for research activities must be awarded for  
34 nonbasic research which will assist in commercialization or manufacture  
35 of global health technologies;

36 (b) The potential for the grant recipient to improve global health  
37 outcomes;

1 (c) The potential for the grant to leverage additional funding for  
2 the development of global health technologies and products;

3 (d) The potential for the grant to stimulate, or promote technical  
4 skills training for, employment in the development of global health  
5 technologies in the state;

6 (e) The willingness of the grant recipient, when appropriate, to  
7 enter into royalty or licensing income agreements with the board; and

8 (f) Any other factors, as the board determines.

9 (7) Grant contracts must specify that award recipients must conduct  
10 their research, development, and any subsequent production activities  
11 within Washington, with the exception of activities such as clinical  
12 trials that must be carried out in developing countries, and that a  
13 failure to comply with this requirement will obligate the recipient to  
14 return the amount of the award plus interest as determined by the  
15 board.

16 (8) Upon the recommendation of the Washington economic development  
17 commission, the board may provide funding for the recruitment and  
18 employment by public research institutions and global health nonprofit  
19 organizations in the state, of global health researchers with a history  
20 of commercialization of global health technologies.

21 (9) Each project receiving a grant under this section must report  
22 information to the board in the format and at the intervals as the  
23 board requires to provide accountability and to evaluate the  
24 effectiveness of the program. The information reported must include  
25 the amount of funding received; the funding, if any, leveraged by the  
26 grant; the number and types of jobs created as a result of the grant;  
27 and any other information that the board requires. The board must use  
28 the information to prepare an annual evaluation of the program for a  
29 report to the appropriate committees of the legislature and the  
30 governor, beginning December 1, 2012.

31 NEW SECTION. **Sec. 3.** The Washington global health technologies  
32 and product development account is created in the custody of the state  
33 treasurer. Only the board of directors of the Washington global health  
34 technologies and product development competitiveness program or the  
35 board's designee may authorize expenditures from the account. All  
36 federal moneys received from the solicitations required in section 2 of  
37 this act and all state funds appropriated for the specific purposes of

1 the Washington global health technologies and product development  
2 competitiveness program must be deposited in the account. Expenditures  
3 from the account may be used only for funding activities of the  
4 Washington global health technologies and product development  
5 competitiveness program created in section 2 of this act. The account  
6 is subject to the allotment procedures under chapter 43.88 RCW, but an  
7 appropriation is not required for expenditures.

8 **Sec. 4.** RCW 43.79A.040 and 2009 c 87 s 4 are each amended to read  
9 as follows:

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

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

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

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

28 (b) The following accounts and funds shall receive their  
29 proportionate share of earnings based upon each account's or fund's  
30 average daily balance for the period: The Washington promise  
31 scholarship account, the college savings program account, the  
32 Washington advanced college tuition payment program account, the  
33 agricultural local fund, the American Indian scholarship endowment  
34 fund, the foster care scholarship endowment fund, the foster care  
35 endowed scholarship trust fund, the students with dependents grant  
36 account, the basic health plan self-insurance reserve account, the  
37 contract harvesting revolving account, the Washington state combined

1 fund drive account, the commemorative works account, the Washington  
2 international exchange scholarship endowment fund, the toll collection  
3 account, the developmental disabilities endowment trust fund, the  
4 energy account, the fair fund, the family leave insurance account, the  
5 food animal veterinarian conditional scholarship account, the fruit and  
6 vegetable inspection account, the future teachers conditional  
7 scholarship account, the game farm alternative account, the GET ready  
8 for math and science scholarship account, the Washington global health  
9 technologies and product development account, the grain inspection  
10 revolving fund, the juvenile accountability incentive account, the law  
11 enforcement officers' and firefighters' plan 2 expense fund, the local  
12 tourism promotion account, the pilotage account, the produce railcar  
13 pool account, the regional transportation investment district account,  
14 the rural rehabilitation account, the stadium and exhibition center  
15 account, the youth athletic facility account, the self-insurance  
16 revolving fund, the sulfur dioxide abatement account, the children's  
17 trust fund, the Washington horse racing commission Washington bred  
18 owners' bonus fund and breeder awards account, the Washington horse  
19 racing commission class C purse fund account, the individual  
20 development account program account, the Washington horse racing  
21 commission operating account (earnings from the Washington horse racing  
22 commission operating account must be credited to the Washington horse  
23 racing commission class C purse fund account), the life sciences  
24 discovery fund, the Washington state heritage center account, the  
25 reduced cigarette ignition propensity account, and the reading  
26 achievement account. However, the earnings to be distributed shall  
27 first be reduced by the allocation to the state treasurer's service  
28 fund pursuant to RCW 43.08.190.

29 (c) The following accounts and funds shall receive eighty percent  
30 of their proportionate share of earnings based upon each account's or  
31 fund's average daily balance for the period: The advanced right-of-way  
32 revolving fund, the advanced environmental mitigation revolving  
33 account, the city and county advance right-of-way revolving fund, the  
34 federal narcotics asset forfeitures account, the high occupancy vehicle  
35 account, the local rail service assistance account, and the  
36 miscellaneous transportation programs account.

37 (5) In conformance with Article II, section 37 of the state

1 Constitution, no trust accounts or funds shall be allocated earnings  
2 without the specific affirmative directive of this section.

3 NEW SECTION. **Sec. 5.** Sections 1 through 3 of this act constitute  
4 a new chapter in Title 43 RCW."

5 Correct the title.

EFFECT: Specifies that the Program must be administered by a nonprofit 501(c)(6) organization, but otherwise retains the board of directors' membership and its appointment by the Governor as it is in the underlying bill.

Modifies fiscal provisions in the underlying bill by: (1) Requiring the board of the nonprofit organization to create and administer an account for deposit of any nonfederal and nonstate funds received, and (2) creating an account in the custody of the State Treasurer for deposit of any federal funds received and any state funds appropriated for the specific purposes of the program. Removes the prohibition on state and local government funds from being deposited in the Treasury account and the statements that the moneys in the account do not constitute public funds.

For accountability, requires grantees to report prescribed information to the Board and requires that the Board use that information to prepare an annual evaluative report to the Legislature beginning in 2012.

Changes the management services/fiscal agency from the Department of Health to the Department of Commerce.

--- END ---