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**SUBSTITUTE HOUSE BILL 1180**

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**State of Washington**

**57th Legislature**

**2001 Regular Session**

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

Read first time 02/06/2001. Referred to Committee on .

1 AN ACT Relating to obtaining and expending funds for the public  
2 health system; amending RCW 43.70.040 and 43.79A.040; adding a new  
3 section to chapter 43.70 RCW; and creating a new section.

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

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

12 (2) It is the intent of the legislature that gifts and other funds  
13 received by the department of health under the authority granted by RCW  
14 43.70.040 may be used to expand or enhance program operations so long  
15 as program standards established by the department are maintained, but  
16 may not supplant or replace funds for federal, state, county, or city-  
17 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  
37 custody of the state treasurer. Only receipts from gifts, bequests,  
38 devises, or funds whose use is determined to further the purposes of

1 the account may be deposited into the account. Expenditures from the  
2 account may be used only for maintaining and improving the health of  
3 Washington residents through the public health system. Expenditures  
4 from the account shall not be used to pay for or add permanent full-  
5 time equivalent staff positions. Only the secretary of health or the  
6 secretary's designee may authorize expenditures from the account. The  
7 account is subject to allotment procedures under chapter 43.88 RCW, but  
8 an appropriation is not required for expenditures.

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

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

19 **Sec. 4.** RCW 43.79A.040 and 2000 c 79 s 45 are each amended to read  
20 as follows:

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

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

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

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

1 (b) The following accounts and funds shall receive their  
2 proportionate share of earnings based upon each account's or fund's  
3 average daily balance for the period: The Washington advanced college  
4 tuition payment program account, the agricultural local fund, the  
5 American Indian scholarship endowment fund, the basic health plan self-  
6 insurance reserve account, the Washington international exchange  
7 scholarship endowment fund, the developmental disabilities endowment  
8 trust fund, the energy account, the fair fund, the game farm  
9 alternative account, the grain inspection revolving fund, the juvenile  
10 accountability incentive account, the public health supplemental  
11 account, the rural rehabilitation account, the stadium and exhibition  
12 center account, the youth athletic facility ((grant)) account, the  
13 self-insurance revolving fund, the sulfur dioxide abatement account,  
14 and the children's trust fund. However, the earnings to be distributed  
15 shall first be reduced by the allocation to the state treasurer's  
16 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 federal narcotics asset forfeitures account, the high  
22 occupancy vehicle account, the local rail service assistance account,  
23 and the miscellaneous transportation programs account.

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

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