
SUBSTITUTE HOUSE BILL 1094

State of Washington

68th Legislature

2023 Regular Session

By House Human Services, Youth, & Early Learning (originally sponsored by Representatives Stonier, Harris, Goodman, Reed, Ryu, Leavitt, Ramel, Peterson, Pollet, Street, Senn, Cortes, Callan, Doglio, Simmons, Reeves, Lekanoff, Waters, Gregerson, Wylie, Ramos, Kloba, Davis, Chandler, Riccelli, Orwall, Entenman, and Fosse; by request of State Treasurer)

1 AN ACT Relating to the creation of the Washington future fund
2 program; amending RCW 43.88C.010 and 70.58A.520; reenacting and
3 amending RCW 43.79A.040; adding a new section to chapter 74.09 RCW;
4 adding a new chapter to Title 43 RCW; and providing an expiration
5 date.

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

7 NEW SECTION. **Sec. 1.** FINDINGS—INTENT. The legislature finds
8 that reducing barriers to wealth building activities is a vital
9 strategy in combating persistent poverty and promoting economic
10 resilience for Washingtonians. In 2020, nearly half of Washington
11 newborns were born into households qualifying for medicaid, a key
12 poverty indicator. For those born into poverty there are lifelong
13 impacts including lower rates of homeownership, educational
14 attainment, and entrepreneurship which interfere with their ability
15 to obtain financial stability.

16 The legislature further finds that Washington has established
17 that investing in pathways out of poverty, including housing, higher
18 education, and economic development, is an essential function of
19 government to cultivate thriving and economically independent
20 individuals and communities. Yet barriers, specifically capital

1 barriers, continue to make these foundations for wealth building
2 unattainable for those born without sufficient financial means.

3 The legislature further finds the office of the state treasurer
4 convened the Washington future fund committee to study wealth
5 inequities in Washington, analyze the Washington future fund and
6 other "baby bonds" investment models, and provide recommendations on
7 program implementation to the legislature. Based on the committee's
8 findings, the legislature concludes that the Washington future fund
9 program begins to address the aforementioned opportunity deficit by
10 providing Washingtonians who were born into and experience persistent
11 poverty the seed capital to invest in themselves and their
12 communities by purchasing a home, pursuing education, or starting a
13 small business.

14 It is the intent of the legislature to establish the Washington
15 future fund program to reduce the capital barriers inhibiting the
16 potential for those born into poverty to alter their financial
17 future.

18 NEW SECTION. **Sec. 2.** DEFINITIONS. (1) "Application" means a
19 request made by a claimant, or the claimant's legal guardian, for a
20 disbursement amount to be used for an eligible expenditure. An
21 application is made in the manner defined by rule by the office.

22 (2) "Calendar year" means a one-year period beginning on January
23 1st and ending on December 31st.

24 (3) "Claimant" means a person who:

25 (a) Is a member of a funded cohort;

26 (b) Successfully completed the financial education requirement;

27 and

28 (c) At the time of application to the office:

29 (i) Is a resident of the state of Washington;

30 (ii) Is at least 18 years old and less than 36 years old; and

31 (iii) Demonstrates financial need.

32 (4) "Cohort" means all people born in Washington in a calendar
33 year who were enrolled in a medical assistance program under chapter
34 74.09 RCW and Title XIX of the federal social security act or in the
35 children's health insurance program under chapter 74.09 RCW and Title
36 XXI of the federal social security act, before their first birthday.
37 The first "cohort" includes people born in the calendar year 2024.

38 (5) "Cohort principal" means the amount appropriated by the
39 legislature as the principal for a funded cohort and any additional

1 funds designated by the office to be added to the principal for a
2 funded cohort, including but not limited to gifts, grants, and
3 donations.

4 (6) "Demonstrate financial need" means satisfying financial
5 requirements adopted by the legislature, as provided in section 4 of
6 this act.

7 (7) "Designated institution" means an entity that may receive a
8 distribution amount from the state, on behalf of an approved
9 claimant, after an application to the office is approved. Claimants
10 identify their selected designated institution during the application
11 process. Allowable designated institutions are based on a claimant's
12 chosen eligible expenditure and are as follows:

13 (a) For education, training, and professional development of the
14 claimant:

15 (i) The educational, training, or professional development
16 institution providing services to the claimant;

17 (ii) The financial institution that issued, or is in the process
18 of issuing, student loans to the claimant; and

19 (iii) Additional institutions defined by rule by the office;

20 (b) For purchase of a residence in Washington state:

21 (i) The financial institution that issued, or is in the process
22 of issuing, the claimant a mortgage or other real estate loan; and

23 (ii) Additional institutions defined by rule by the office; and

24 (c) For the creation or purchase of a business in Washington
25 state:

26 (i) The financial institution that issued, or is in the process
27 of issuing, the claimant a business loan; and

28 (ii) Additional institutions defined by rule by the office.

29 (8) "Disbursement amount" means:

30 (a) Cohort principal and associated investment earnings for a
31 funded cohort divided by the population of the cohort 18 years after
32 the cohort's birth year; and

33 (b) Any additional investment earnings associated with the amount
34 provided in (a) of this subsection, calculated at the time of
35 application approval.

36 (9) "Eligible expenditure" means an expenditure associated with
37 any of the following:

38 (a) Education, training, and professional development of a
39 claimant at an institution of higher education, as defined in RCW
40 28B.92.030;

- 1 (b) Purchase of a residence in Washington state by a claimant; or
2 (c) The creation or purchase of a business in Washington state by
3 a claimant.

4 (10) "Financial education" means financial coaching, specifically
5 related to one or more eligible expenditures, as defined by rule by
6 the office.

7 (11) "Funded cohort" means a cohort that has had an amount
8 appropriated by the legislature as principal for the cohort. Except
9 as specified in section 6 of this act, each cohort is funded
10 independently of other cohorts.

11 (12) "Legal guardian" means the guardian, as defined in chapter
12 11.130 RCW, of a claimant.

13 (13) "Office" means the office of the state treasurer.

14 (14) "Washington future fund account" or "account" means the
15 account established in the custody of the state treasurer in section
16 5 of this act.

17 NEW SECTION. **Sec. 3.** CREATION OF WASHINGTON FUTURE FUND
18 PROGRAM. (1) The Washington future fund program established under
19 this chapter shall be implemented and administered by the office.

20 (2) A claimant who is a member of a funded cohort is entitled to
21 have the office issue a disbursement amount on their behalf, subject
22 to the defined application process and permitted uses. No person is
23 entitled to receive any benefit under this chapter if they are not a
24 member of a funded cohort.

25 (3) The office is authorized to establish rules necessary to
26 implement the program. Program elements defined by rule shall
27 include, but are not limited to:

28 (a) The application and application process;

29 (b) Fund distribution to designated institutions;

30 (c) Promotional campaigns to increase public awareness of the
31 program; and

32 (d) Definition of terms as they relate to claimant requirements,
33 including but not limited to "financial education requirement" and
34 "residency."

35 (4) (a) The legislature shall appropriate funds for the Washington
36 future fund program, as provided in section 6 of this act.

37 (b) Costs related to program administration incurred by the
38 office are funded through the state treasurer's service fund created
39 in RCW 43.08.190.

1 (5) (a) The office shall issue a disbursement amount to a
2 designated institution after approving an application from the
3 claimant. The office shall make only one disbursement of up to the
4 full amount authorized under this chapter on behalf of each claimant
5 during the claimant's lifetime.

6 (b) The health care authority established in chapter 41.05 RCW,
7 and any successor agency responsible for implementing the medical
8 assistance programs under chapter 74.09 RCW and Title XIX of the
9 federal social security act and the children's health insurance
10 program under chapter 74.09 RCW and Title XXI of the federal social
11 security act, shall assist the office to verify a claimant is a
12 member of a funded cohort.

13 (c) The application must include information necessary to verify
14 the eligibility of the claimant, a plan for the eligible expenditure,
15 and any other information required by the office.

16 (6) The right of a claimant to have a disbursement amount issued
17 on the claimant's behalf under this chapter vests upon:

18 (a) Meeting the qualification requirements under this chapter and
19 rules established by the office; and

20 (b) Receiving the claimant's approval of application from the
21 office.

22 (7) (a) If the office denies an application for any reason,
23 including an incomplete application, an ineligible claimant, or a
24 plan for the eligible expenditure that does not satisfy the criteria
25 established by rule, the office shall issue a written notice
26 identifying the reason for the denial and the process for appeal.

27 (b) The appeal shall be resolved through the adjudicative
28 proceedings process provided by chapter 34.05 RCW. The office may
29 establish a good cause exception for failing to file a timely appeal
30 by rule.

31 (8) Any disbursement under this chapter shall not be considered
32 assets or income for purposes of state public assistance or financial
33 aid eligibility and calculation of benefit amount.

34 (9) The legal guardian of a claimant may act on behalf of the
35 claimant for the purposes of this program.

36 NEW SECTION. **Sec. 4.** WASHINGTON FUTURE FUND COMMITTEE. (1) (a) A
37 committee on the Washington future fund program is established, with
38 members as provided in this subsection:

1 (i) The president of the senate shall appoint one member from
2 each of the two largest caucuses of the senate;

3 (ii) The speaker of the house of representatives shall appoint
4 one member from each of the two largest caucuses of the house of
5 representatives;

6 (iii) The state treasurer, or the state treasurer's designee;

7 (iv) The state treasurer shall appoint:

8 (A) Three members from communities with lived experience of
9 poverty;

10 (B) Three members representing economic empowerment
11 organizations;

12 (C) At least one member representing individuals with
13 developmental disabilities;

14 (D) At least one member representing tribal communities with
15 tribal lands located west of the crest of the Cascade mountains;

16 (E) At least one member representing tribal communities with
17 tribal lands located east of the crest of the Cascade mountains;

18 (F) At least one member representing higher educational
19 institutions;

20 (G) At least one member representing trades and apprenticeship
21 training; and

22 (H) At least one member who:

23 (I) Was enrolled in a medical assistance program under chapter
24 74.09 RCW and Title XIX of the federal social security act or the
25 children's health insurance program under chapter 74.09 RCW and Title
26 XXI of the federal social security act, before the member's first
27 birthday and experienced poverty as a young adult; or

28 (II) Is a claimant; and

29 (v) The following representatives from state agencies:

30 (A) The director of the health care authority, or the director's
31 designee;

32 (B) The executive director of the Washington housing finance
33 commission, or the executive director's designee; and

34 (C) The director of the department of commerce, or the director's
35 designee.

36 (b) Committee membership shall reflect regional, racial,
37 cultural, and socioeconomic diversity to adequately represent the
38 needs of all families in the state.

39 (c) All appointed members serve three-year terms that begin
40 January 1st, unless appointed to fill a midyear vacancy. The terms of

1 the membership appointments shall be staggered, as determined by the
2 office.

3 (d) The committee is chaired by the state treasurer. The state
4 treasurer must convene the initial meeting of the committee by
5 September 1, 2024. Subsequent meetings shall be held on at least:

6 (i) An annual basis through 2034;

7 (ii) A twice annual basis between 2035 through 2040; and

8 (iii) A quarterly basis between 2041 through 2042.

9 (2) The committee shall review the following topics and make
10 recommendations on:

11 (a) The efficient distribution of funds;

12 (b) The adequacy of the eligibility criteria to fulfill the
13 intent of the program set forth in this chapter, periodically
14 evaluating the potential of incorporating wealth-based qualification
15 requirements;

16 (c) The eligible expenditures, periodically reviewing additional
17 wealth building activities to consider adding to the definition of
18 eligible expenditures;

19 (d) The status of the fund and performance relative to the
20 programmatic objectives and goals;

21 (e) Whether the initial investment amount is enough to achieve
22 the intent of the program in this chapter and, if it is not, an
23 initial investment level that is anticipated to achieve the intent of
24 the program for future cohorts;

25 (f) Opportunities to establish public-private partnerships; and

26 (g) Other policy considerations that may arise and be pertinent
27 to the programmatic elements of the program.

28 (3) (a) Before June 30, 2036, the committee shall recommend to the
29 legislature criteria that a claimant must meet at the time of
30 application to demonstrate financial need. While developing the
31 recommendation, the committee must consider the following:

32 (i) Maximizing program participation among funded cohort members;

33 (ii) Current economic conditions, including the cost of eligible
34 expenditures, as defined in section 2 of this act;

35 (iii) General requirements to qualify for a real estate, student,
36 or business loan;

37 (iv) Minimizing impact to a claimant's ability to qualify for
38 local, state, and federal public assistance programs; and

39 (v) Feasibility of a wealth-based qualification requirement.

1 (b) It is the intent of the legislature to consider the
2 recommended criteria prior to the conclusion of the 2038 legislative
3 session.

4 (4) Staff support for the committee shall be provided by the
5 office.

6 (5) The committee shall participate in wealth inequity studies
7 and related data collection efforts necessary to perform the work
8 required in this section.

9 (6) The committee shall submit the following reports to the
10 appropriate committees of the legislature, in accordance with RCW
11 43.01.036:

12 (a) An annual status update, including any legislative
13 recommendations, starting December 1, 2024, through December 1, 2041;
14 and

15 (b) A final report of its findings and recommendations by
16 December 1, 2042.

17 (7) The committee is a class one group, as defined in RCW
18 43.03.220, and the nonlegislative members shall receive compensation
19 accordingly. Legislative members of the committee are reimbursed for
20 travel expenses in accordance with RCW 44.04.120.

21 (8) This section expires December 31, 2044.

22 NEW SECTION. **Sec. 5.** WASHINGTON FUTURE FUND ACCOUNT. (1) The
23 Washington future fund account is created in the custody of the state
24 treasurer.

25 (2) Except as provided in sections 6 and 7 of this act, the
26 account may be used only for the purpose of issuing disbursement
27 amounts to designated institutions.

28 (3) Except as provided in this section, cohort principals and
29 associated investment earnings for the Washington future fund program
30 must be deposited into, and retained within, the account.

31 (4) Only the state treasurer or the state treasurer's designee
32 may authorize expenditures from the account. The account is exempt
33 from appropriation and allotment provisions under chapter 43.88 RCW.

34 (5) Beginning in 2025, the office must report the status of the
35 account, including the balance and activity on behalf of each funded
36 cohort, in the annual report of the office of the state treasurer.

37 (6) The state treasurer and the office shall not be considered an
38 insurer of the account or assets in the account, pursuant to RCW
39 39.58.140.

1 NEW SECTION. **Sec. 6.** WASHINGTON FUTURE FUND APPROPRIATION. (1)

2 Beginning in 2024, the legislature shall appropriate funds, from the
3 state general fund into the Washington future fund, in an amount
4 equal to:

5 (a) During the 2024 legislative session, the 2024 cohort
6 population estimate provided in RCW 43.88C.010, multiplied by \$4,000;
7 and

8 (b) Beginning in 2025 and during each regular legislative session
9 in an odd-numbered year thereafter:

10 (i) The population estimate provided in RCW 43.88C.010 for the
11 current and next calendar year, multiplied by \$4,000; and

12 (ii) If necessary, appropriations necessary to fund past cohorts,
13 pursuant to the adjusted population estimates provided in RCW
14 43.88C.010.

15 (2) Moneys that are not awarded because a claimant is deceased or
16 has not submitted a valid application within the time frame
17 designated within this chapter shall be retained within the account
18 and used to fund the principal for a future cohort.

19 NEW SECTION. **Sec. 7.** STATE INVESTMENT BOARD. (1) The state

20 investment board has the full power to invest, reinvest, manage,
21 contract, sell, or exchange investment money in the account created
22 in section 5 of this act. All investment and operating costs
23 associated with the investment of money shall be paid under RCW
24 43.33A.160 and 43.84.160. With the exception of these expenses, all
25 of the earnings from the investment of the money shall be retained by
26 the account.

27 (2) All investments made by the state investment board shall be
28 made with the exercise of judgment and care required by RCW
29 43.33A.140 and consistent with the investment policy established by
30 the state investment board.

31 (3) As deemed appropriate by the state investment board, money in
32 the account may be commingled for investment with other funds subject
33 to investment by the board.

34 (4) Members of the state investment board may not be considered
35 an insurer of the account or assets and are not liable for any action
36 or inaction.

37 (5) Members of the state investment board are not liable to the
38 state, to the account, or to any other person as a result of their
39 activities as members, whether ministerial or discretionary, except

1 for willful dishonesty or intentional violations of law. The state
2 investment board in its discretion may purchase liability insurance
3 for members.

4 (6) The authority to establish all policies relating to the
5 account resides with the state treasurer, other than the investment
6 policies as set forth in subsections (1) through (3) of this section.

7 (7) The state investment board shall routinely consult and
8 communicate with the office on the investment policy, earnings of the
9 account, and related needs of the program.

10 **Sec. 8.** RCW 43.88C.010 and 2022 c 219 s 2 are each amended to
11 read as follows:

12 (1) The caseload forecast council is hereby created. The council
13 shall consist of two individuals appointed by the governor and four
14 individuals, one of whom is appointed by the chairperson of each of
15 the two largest political caucuses in the senate and house of
16 representatives. The chair of the council shall be selected from
17 among the four caucus appointees. The council may select such other
18 officers as the members deem necessary.

19 (2) The council shall employ a caseload forecast supervisor to
20 supervise the preparation of all caseload forecasts. As used in this
21 chapter, "supervisor" means the caseload forecast supervisor.

22 (3) Approval by an affirmative vote of at least five members of
23 the council is required for any decisions regarding employment of the
24 supervisor. Employment of the supervisor shall terminate after each
25 term of three years. At the end of the first year of each three-year
26 term the council shall consider extension of the supervisor's term by
27 one year. The council may fix the compensation of the supervisor. The
28 supervisor shall employ staff sufficient to accomplish the purposes
29 of this section.

30 (4) The caseload forecast council shall oversee the preparation
31 of and approve, by an affirmative vote of at least four members, the
32 official state caseload forecasts prepared under RCW 43.88C.020. If
33 the council is unable to approve a forecast before a date required in
34 RCW 43.88C.020, the supervisor shall submit the forecast without
35 approval and the forecast shall have the same effect as if approved
36 by the council.

37 (5) A councilmember who does not cast an affirmative vote for
38 approval of the official caseload forecast may request, and the

1 supervisor shall provide, an alternative forecast based on
2 assumptions specified by the member.

3 (6) Members of the caseload forecast council shall serve without
4 additional compensation but shall be reimbursed for travel expenses
5 in accordance with RCW 44.04.120 while attending sessions of the
6 council or on official business authorized by the council.
7 Nonlegislative members of the council shall be reimbursed for travel
8 expenses in accordance with RCW 43.03.050 and 43.03.060.

9 (7) "Caseload," as used in this chapter, means:

10 (a) The number of persons expected to meet entitlement
11 requirements and require the services of public assistance programs,
12 state correctional institutions, state correctional noninstitutional
13 supervision, state institutions for juvenile offenders, the common
14 school system, long-term care, medical assistance, foster care, and
15 adoption support;

16 (b) The number of students who are eligible for the Washington
17 college bound scholarship program and are expected to attend an
18 institution of higher education as defined in RCW 28B.92.030;

19 (c) The number of students who are eligible for the Washington
20 college grant program under RCW 28B.92.200 and 28B.92.205 and are
21 expected to attend an institution of higher education as defined in
22 RCW 28B.92.030; (~~and~~)

23 (d) The number of children who are eligible, as defined in RCW
24 43.216.505, to participate in, and the number of children actually
25 served by, the early childhood education and assistance program; and

26 (e) The cohorts of the Washington future fund under section 2 of
27 this act.

28 (8) The caseload forecast council shall forecast the temporary
29 assistance for needy families and the working connections child care
30 programs as a courtesy.

31 (9) By January 1, 2023, the caseload forecast council shall
32 present the number of individuals who are assessed as eligible for
33 and have requested a service through the individual and family
34 services waiver and the basic plus waiver administered by the
35 developmental disabilities administration as a courtesy. The caseload
36 forecast council shall be presented with the service request list as
37 defined in RCW 71A.10.020 to aid in development of this information.

38 (10) Beginning with the official forecast submitted in November
39 2022 and subject to the availability of amounts appropriated for this
40 specific purpose, the caseload forecast council shall forecast the

1 number of individuals who are assessed as eligible for and have
2 requested supported living services, a service through the core
3 waiver, an individual and family services waiver, and the basic plus
4 waiver administered by the developmental disabilities administration
5 as a courtesy. The caseload forecast council shall be presented with
6 the service request list as defined in RCW 71A.10.020 to aid in
7 development of this information.

8 (11) As a courtesy, beginning with the official forecast
9 submitted in November 2022, the caseload forecast council shall
10 forecast the number of individuals who are expected to reside in
11 state-operated living alternatives administered by the developmental
12 disabilities administration.

13 (12) The caseload forecast council shall forecast youth
14 participating in the extended foster care program pursuant to RCW
15 74.13.031 separately from other children who are residing in foster
16 care and who are under eighteen years of age.

17 (13) The caseload forecast council shall forecast the number of
18 youth expected to receive behavioral rehabilitation services while
19 involved in the foster care system and the number of screened in
20 reports of child abuse or neglect.

21 (14) Unless the context clearly requires otherwise, the
22 definitions provided in RCW 43.88.020 apply to this chapter.

23 (15) During the 2021-2023 fiscal biennium, and beginning with the
24 November 2021 forecast, the caseload forecast council shall produce
25 an unofficial forecast of the long-term caseload for juvenile
26 rehabilitation as a courtesy.

27 **Sec. 9.** RCW 43.79A.040 and 2022 c 244 s 3, 2022 c 206 s 8, 2022
28 c 183 s 16, and 2022 c 162 s 6, are each reenacted and amended to
29 read as follows:

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

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

38 (3) The investment income account may be utilized for the payment
39 of purchased banking services on behalf of treasurer's trust funds

1 including, but not limited to, depository, safekeeping, and
2 disbursement functions for the state treasurer or affected state
3 agencies. The investment income account is subject in all respects to
4 chapter 43.88 RCW, but no appropriation is required for payments to
5 financial institutions. Payments must occur prior to distribution of
6 earnings set forth in subsection (4) of this section.

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

10 (b) The following accounts and funds must receive their
11 proportionate share of earnings based upon each account's or fund's
12 average daily balance for the period: The 24/7 sobriety account, the
13 Washington promise scholarship account, the Gina Grant Bull memorial
14 legislative page scholarship account, the Rosa Franklin legislative
15 internship program scholarship account, the Washington advanced
16 college tuition payment program account, the Washington college
17 savings program account, the accessible communities account, the
18 Washington achieving a better life experience program account, the
19 Washington career and college pathways innovation challenge program
20 account, the community and technical college innovation account, the
21 agricultural local fund, the American Indian scholarship endowment
22 fund, the behavioral health loan repayment program account, the
23 foster care scholarship endowment fund, the foster care endowed
24 scholarship trust fund, the contract harvesting revolving account,
25 the Washington state combined fund drive account, the commemorative
26 works account, the county (~~enhanced~~) 911 excise tax account, the
27 county road administration board emergency loan account, the toll
28 collection account, the developmental disabilities endowment trust
29 fund, the energy account, the energy facility site evaluation council
30 account, the fair fund, the family and medical leave insurance
31 account, the fish and wildlife federal lands revolving account, the
32 natural resources federal lands revolving account, the food animal
33 veterinarian conditional scholarship account, the forest health
34 revolving account, the fruit and vegetable inspection account, the
35 educator conditional scholarship account, the Washington future fund
36 account, the game farm alternative account, the GET ready for math
37 and science scholarship account, the Washington global health
38 technologies and product development account, the grain inspection
39 revolving fund, the Washington history day account, the industrial
40 insurance rainy day fund, the juvenile accountability incentive

1 account, the law enforcement officers' and firefighters' plan 2
2 expense fund, the local tourism promotion account, the low-income
3 home rehabilitation revolving loan program account, the multiagency
4 permitting team account, the northeast Washington wolf-livestock
5 management account, the produce railcar pool account, the public use
6 general aviation airport loan revolving account, the regional
7 transportation investment district account, the rural rehabilitation
8 account, the Washington sexual assault kit account, the stadium and
9 exhibition center account, the youth athletic facility account, the
10 self-insurance revolving fund, the children's trust fund, the
11 Washington horse racing commission Washington bred owners' bonus fund
12 and breeder awards account, the Washington horse racing commission
13 class C purse fund account, the individual development account
14 program account, the Washington horse racing commission operating
15 account, the life sciences discovery fund, the Washington state
16 library-archives building account, the reduced cigarette ignition
17 propensity account, the center for deaf and hard of hearing youth
18 account, the school for the blind account, the Millersylvania park
19 trust fund, the public employees' and retirees' insurance reserve
20 fund, the school employees' benefits board insurance reserve fund,
21 the public employees' and retirees' insurance account, the school
22 employees' insurance account, the long-term services and supports
23 trust account, the radiation perpetual maintenance fund, the Indian
24 health improvement reinvestment account, the department of licensing
25 tuition recovery trust fund, the student achievement council tuition
26 recovery trust fund, the tuition recovery trust fund, the Washington
27 student loan account, the industrial insurance premium refund
28 account, the mobile home park relocation fund, the natural resources
29 deposit fund, the Washington state health insurance pool account, the
30 federal forest revolving account, and the library operations account.

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

38 (d) Any state agency that has independent authority over accounts
39 or funds not statutorily required to be held in the custody of the
40 state treasurer that deposits funds into a fund or account in the

1 custody of the state treasurer pursuant to an agreement with the
2 office of the state treasurer shall receive its proportionate share
3 of earnings based upon each account's or fund's average daily balance
4 for the period.

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

8 **Sec. 10.** RCW 70.58A.520 and 2019 c 148 s 20 are each amended to
9 read as follows:

10 (1) The department may disclose vital records information for
11 persons named in any birth, death, or fetal death record only as
12 provided under this chapter.

13 (2) Proposals for research and public health purposes must be
14 reviewed and approved as to scientific merit and adequacy of
15 confidentiality safeguards in accordance with this section.

16 (3) The department may release birth and fetal death record data
17 that includes direct identifiers for research with approval of the
18 state institutional review board and receipt of a signed
19 confidentiality agreement with the department.

20 (4) The department may release birth and fetal death record data
21 that includes direct identifiers for nonresearch public health
22 purposes to a government agency upon receipt of a signed written
23 data-sharing agreement with the department.

24 (5) The department may release birth and fetal death record data
25 that contains only indirect identifiers to anyone upon receipt of a
26 signed written data-sharing agreement with the department.

27 (6) The department may release death record data to anyone upon
28 approval of the department and receipt of a signed written data-
29 sharing agreement with the department.

30 (7) The department may release birth and death record data that
31 includes direct identifiers to the health care authority established
32 in chapter 41.05 RCW, and any successor agency responsible for
33 implementing the medical assistance programs under chapter 74.09 RCW
34 and Title XIX of the federal social security act and the children's
35 health insurance program under chapter 74.09 RCW and Title XXI of the
36 federal social security act, to carry out the purposes of chapter
37 43.--- RCW (the new chapter created in section 12 of this act).

1 (8) A written data-sharing agreement required under subsections
2 (4) through (6) and (~~(14)~~) (15) through (~~(17)~~) (18) of this
3 section must, at a minimum:

4 (a) Include a description of the type of data needed and the
5 purpose for how the data will be used;

6 (b) Include the methods to be used to protect the confidentiality
7 and security of the data;

8 (c) State that ownership of the data provided under this section
9 remains with the department, and is not transferred to those
10 authorized to receive and use the data under the agreement; and

11 (d) Include the applicable fees for use of the data.

12 (~~(8)~~) (9) In addition to the conditions required by subsection
13 (~~(7)~~) (8) of this section, the written data-sharing agreement for
14 birth and fetal death record data for public health purposes under
15 subsection (4) of this section must:

16 (a) Prohibit redisclosure of any direct or indirect identifiers
17 without explicit permission from the department; and

18 (b) Prohibit the recipient of the data from contacting or
19 attempting to contact the person whose information is included in the
20 data set or that person's family members without explicit permission
21 from the department.

22 (~~(9)~~) (10) In addition to the conditions required by subsection
23 (~~(7)~~) (8) of this section, the written data-sharing agreement for
24 birth or fetal death record data with indirect identifiers under
25 subsection (5) of this section must prohibit the recipient of the
26 data from attempting to determine the identity of persons whose
27 information is included in the data set or use the data in any manner
28 that identifies individuals or their family members.

29 (~~(10)~~) (11) The department and the state institutional review
30 board shall apply the most restrictive law governing data release to
31 proposals for research and public health purposes requesting data
32 sets with direct identifiers for linkage to other data sets.

33 (~~(11)~~) (12) The department may provide the fewest birth and
34 fetal death record data elements necessary for the purpose described
35 in the proposal for research or public health purposes.

36 (~~(12)~~) (13) The department may deny a request for data for
37 cause including, but not limited to, when:

38 (a) Indirect identifiers are sufficient for the purpose described
39 in the proposal for research or public health purposes;

1 (b) The research or public health proposal lacks scientific
2 merit;

3 (c) The department lacks resources or the request would result in
4 an unreasonable use of resources related to data preparation and
5 analysis;

6 (d) The requestor cannot meet the requirements in a data-sharing
7 agreement for protecting the confidentiality of the data; or

8 (e) The requestor is out of compliance with an existing data-
9 sharing agreement.

10 (~~(13)~~) (14) The department must provide notice of the denial to
11 the requestor and include a statement of the reasons for the denial.
12 If the state registrar denies a request for data under the provisions
13 of this section, a person may appeal the decision under RCW
14 70.58A.550.

15 (~~(14)~~) (15) The department may release vital records to
16 government agencies in the conduct of official duties upon approval
17 of the state registrar and receipt of a signed written data-sharing
18 agreement with the department that prohibits redisclosure of any
19 direct or indirect identifiers without explicit permission from the
20 department. Vital records information released by the department
21 under this subsection may be limited to only the information
22 necessary to perform the official duties of the agencies to which the
23 information is released. The department may deny requests according
24 to subsection (~~(12)~~) (13) of this section. Government agencies may
25 access records electronically and use of records must be limited to
26 the information needed for official business. The agreement may
27 include cost sharing for support of the electronic system.

28 (~~(15)~~) (16) The department shall make available to the
29 department of social and health services, division of child support,
30 the social security numbers of parents listed on birth records as
31 required for establishing child support upon receipt of a signed
32 written data-sharing agreement with the department.

33 (~~(16)~~) (17) The department may release vital records to the
34 national center for health statistics to be used solely for national
35 statistics upon approval of the state registrar and receipt of a
36 signed written data-sharing agreement with the department.

37 (~~(17)~~) (18) The department may release copies of vital records
38 through an interjurisdictional exchange agreement to offices of vital
39 statistics in states or territories of the United States, the
40 District of Columbia, New York City, or neighboring countries. The

1 records must relate to a resident of, a person born in, or a person
2 who died in the requesting state, territory, the District of
3 Columbia, New York City, or neighboring country.

4 ~~((18))~~ (19) The department may release indices of death,
5 marriage, and divorce records annually to the state archives.

6 ~~((19))~~ (20) Nothing in this chapter may be construed as giving
7 authority to the state or local registrar, department, government
8 agencies, or data recipients to sell or provide access to lists of
9 individuals when requested for commercial purposes.

10 ~~((20))~~ (21) For the purposes of this section:

11 (a) "Data" means a data file containing multiple records.

12 (b) "Direct identifier" means a single data element that
13 identifies an individual person.

14 (c) "Indirect identifier" means a single data element that on its
15 own does not identify an individual person, but when combined with
16 other indirect identifiers can be used to identify an individual
17 person.

18 (d) "Public health purpose" means a purpose that seeks to support
19 or evaluate public health activities which include, but are not
20 limited to, health surveillance; identifying population health
21 trends; health assessments; implementing educational programs;
22 program evaluation; developing and implementing policies; determining
23 needs for access to services and administering services; creating
24 emergency response plans; promoting healthy lifestyles; and
25 preventing, detecting, and responding to infectious diseases, injury,
26 and chronic and inheritable conditions. Public health purpose does
27 not include research as defined in this section.

28 (e) "Research" means a systematic investigation, including
29 research development, testing, and evaluation, designed to develop or
30 contribute to generalizable knowledge. Activities that meet this
31 definition constitute research for purposes of this policy, whether
32 or not they are conducted or supported under a program that is
33 considered research for other purposes.

34 NEW SECTION. **Sec. 11.** A new section is added to chapter 74.09
35 RCW to read as follows:

36 HEALTH CARE AUTHORITY—INFORMATION SHARING. Subject to federal and
37 state laws governing the disclosure of confidential information, the
38 office of the state treasurer, the department of health, and the
39 authority shall enter into a memorandum of understanding to establish

1 information sharing practices necessary to carry out the purposes of
2 chapter 43.--- RCW (the new chapter created in section 12 of this
3 act) by September 30, 2036.

4 NEW SECTION. **Sec. 12.** CODIFICATION. Sections 1 through 7 of
5 this act constitute a new chapter in Title 43 RCW.

6 NEW SECTION. **Sec. 13.** SEVERABILITY. If any provision of this
7 act or its application to any person or circumstance is held invalid,
8 the remainder of the act or the application of the provision to other
9 persons or circumstances is not affected.

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