
SUBSTITUTE SENATE BILL 5125

State of Washington**68th Legislature****2023 Regular Session**

By Senate Human Services (originally sponsored by Senators Trudeau, Rivers, Cleveland, Dhingra, Frame, Hasegawa, Hunt, Kuderer, Lias, Lovelett, Lovick, Nguyen, Nobles, Pedersen, Randall, Robinson, Saldaña, Stanford, Valdez, Van De Wege, Wellman, and C. Wilson; 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;

22 (H) One member representing a financial institution;

23 (I) One member representing either a chamber of commerce or an
24 associated development organization; and

25 (J) At least one member who:

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

31 (II) Is a claimant; and

32 (v) The following representatives from state agencies:

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

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

37 (C) The director of the department of commerce, or the director's
38 designee.

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

4 (c) All appointed members serve three-year terms that begin
5 January 1st, unless appointed to fill a midyear vacancy. The terms of
6 the membership appointments shall be staggered, as determined by the
7 office.

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

- 11 (i) An annual basis through 2034;
- 12 (ii) A twice annual basis between 2035 through 2040; and
- 13 (iii) A quarterly basis between 2041 through 2042.

14 (2) The committee shall review the following topics and make
15 recommendations on:

16 (a) The efficient distribution of funds;

17 (b) The adequacy of the eligibility criteria to fulfill the
18 intent of the program set forth in this chapter, periodically
19 evaluating the potential of incorporating wealth-based qualification
20 requirements;

21 (c) The eligible expenditures, periodically reviewing additional
22 wealth building activities to consider adding to the definition of
23 eligible expenditures;

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

26 (e) Whether the initial investment amount is enough to achieve
27 the intent of the program in this chapter and, if it is not, an
28 initial investment level that is anticipated to achieve the intent of
29 the program for future cohorts;

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

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

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

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

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

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

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

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

6 (b) It is the intent of the legislature to consider the
7 recommended criteria prior to the conclusion of the 2038 legislative
8 session.

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

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

14 (6) The committee shall submit the following reports to the
15 appropriate committees of the legislature, in accordance with RCW
16 43.01.036:

17 (a) An annual status update, including any legislative
18 recommendations, starting December 1, 2024, through December 1, 2041;
19 and

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

22 (7) The committee is a class one group, as defined in RCW
23 43.03.220, and the nonlegislative members shall receive compensation
24 accordingly. Legislative members of the committee are reimbursed for
25 travel expenses in accordance with RCW 44.04.120.

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

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

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

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

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

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

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

7 NEW SECTION. **Sec. 6.** WASHINGTON FUTURE FUND APPROPRIATION. (1)
8 Beginning in 2024, the legislature shall appropriate funds, from the
9 state general fund into the Washington future fund, in an amount
10 equal to:

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

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

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

18 (ii) If necessary, appropriations necessary to fund past cohorts,
19 pursuant to the adjusted population estimates provided in RCW
20 43.88C.010.

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

25 NEW SECTION. **Sec. 7.** STATE INVESTMENT BOARD. (1) The state
26 investment board has the full power to invest, reinvest, manage,
27 contract, sell, or exchange investment money in the account created
28 in section 5 of this act. All investment and operating costs
29 associated with the investment of money shall be paid under RCW
30 43.33A.160 and 43.84.160. With the exception of these expenses, all
31 of the earnings from the investment of the money shall be retained by
32 the account.

33 (2) All investments made by the state investment board shall be
34 made with the exercise of judgment and care required by RCW
35 43.33A.140 and consistent with the investment policy established by
36 the state investment board.

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

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

7 (5) Members of the state investment board are not liable to the
8 state, to the account, or to any other person as a result of their
9 activities as members, whether ministerial or discretionary, except
10 for willful dishonesty or intentional violations of law. The state
11 investment board in its discretion may purchase liability insurance
12 for members.

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

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

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

21 (1) The caseload forecast council is hereby created. The council
22 shall consist of two individuals appointed by the governor and four
23 individuals, one of whom is appointed by the chairperson of each of
24 the two largest political caucuses in the senate and house of
25 representatives. The chair of the council shall be selected from
26 among the four caucus appointees. The council may select such other
27 officers as the members deem necessary.

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

31 (3) Approval by an affirmative vote of at least five members of
32 the council is required for any decisions regarding employment of the
33 supervisor. Employment of the supervisor shall terminate after each
34 term of three years. At the end of the first year of each three-year
35 term the council shall consider extension of the supervisor's term by
36 one year. The council may fix the compensation of the supervisor. The
37 supervisor shall employ staff sufficient to accomplish the purposes
38 of this section.

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

8 (5) A councilmember who does not cast an affirmative vote for
9 approval of the official caseload forecast may request, and the
10 supervisor shall provide, an alternative forecast based on
11 assumptions specified by the member.

12 (6) Members of the caseload forecast council shall serve without
13 additional compensation but shall be reimbursed for travel expenses
14 in accordance with RCW 44.04.120 while attending sessions of the
15 council or on official business authorized by the council.
16 Nonlegislative members of the council shall be reimbursed for travel
17 expenses in accordance with RCW 43.03.050 and 43.03.060.

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

19 (a) The number of persons expected to meet entitlement
20 requirements and require the services of public assistance programs,
21 state correctional institutions, state correctional noninstitutional
22 supervision, state institutions for juvenile offenders, the common
23 school system, long-term care, medical assistance, foster care, and
24 adoption support;

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

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

32 (d) The number of children who are eligible, as defined in RCW
33 43.216.505, to participate in, and the number of children actually
34 served by, the early childhood education and assistance program; and

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

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

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

8 (10) Beginning with the official forecast submitted in November
9 2022 and subject to the availability of amounts appropriated for this
10 specific purpose, the caseload forecast council shall forecast the
11 number of individuals who are assessed as eligible for and have
12 requested supported living services, a service through the core
13 waiver, an individual and family services waiver, and the basic plus
14 waiver administered by the developmental disabilities administration
15 as a courtesy. The caseload forecast council shall be presented with
16 the service request list as defined in RCW 71A.10.020 to aid in
17 development of this information.

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

23 (12) The caseload forecast council shall forecast youth
24 participating in the extended foster care program pursuant to RCW
25 74.13.031 separately from other children who are residing in foster
26 care and who are under eighteen years of age.

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

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

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

37 **Sec. 9.** RCW 43.79A.040 and 2022 c 244 s 3, 2022 c 206 s 8, 2022
38 c 183 s 16, and 2022 c 162 s 6, are each reenacted and amended to
39 read 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
37 county road administration board emergency loan account, the toll
38 collection account, the developmental disabilities endowment trust
39 fund, the energy account, the energy facility site evaluation council
40 account, the fair fund, the family and medical leave insurance

1 account, the fish and wildlife federal lands revolving account, the
2 natural 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 Washington future fund
6 account, the game farm alternative account, the GET ready for math
7 and science scholarship account, the Washington global health
8 technologies and product development account, the grain inspection
9 revolving fund, the Washington history day account, the industrial
10 insurance rainy day fund, the juvenile accountability incentive
11 account, the law enforcement officers' and firefighters' plan 2
12 expense fund, the local tourism promotion account, the low-income
13 home rehabilitation revolving loan program account, the multiagency
14 permitting team account, the northeast Washington wolf-livestock
15 management account, the produce railcar pool account, the public use
16 general aviation airport loan revolving account, the regional
17 transportation investment district account, the rural rehabilitation
18 account, the Washington sexual assault kit account, the stadium and
19 exhibition center account, the youth athletic facility account, the
20 self-insurance revolving fund, the children's trust fund, the
21 Washington horse racing commission Washington bred owners' bonus fund
22 and breeder awards account, the Washington horse racing commission
23 class C purse fund account, the individual development account
24 program account, the Washington horse racing commission operating
25 account, the life sciences discovery fund, the Washington state
26 library-archives building account, the reduced cigarette ignition
27 propensity account, the center for deaf and hard of hearing youth
28 account, the school for the blind account, the Millersylvania park
29 trust fund, the public employees' and retirees' insurance reserve
30 fund, the school employees' benefits board insurance reserve fund,
31 the public employees' and retirees' insurance account, the school
32 employees' insurance account, the long-term services and supports
33 trust account, the radiation perpetual maintenance fund, the Indian
34 health improvement reinvestment account, the department of licensing
35 tuition recovery trust fund, the student achievement council tuition
36 recovery trust fund, the tuition recovery trust fund, the Washington
37 student loan account, the industrial insurance premium refund
38 account, the mobile home park relocation fund, the natural resources
39 deposit fund, the Washington state health insurance pool account, the
40 federal forest revolving account, and the 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. 10.** RCW 70.58A.520 and 2019 c 148 s 20 are each amended to
19 read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

20 (~~(8)~~) (9) In addition to the conditions required by subsection
21 (~~(7)~~) (8) of this section, the written data-sharing agreement for
22 birth and fetal death record data for public health purposes under
23 subsection (4) of this section must:

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

26 (b) Prohibit the recipient of the data from contacting or
27 attempting to contact the person whose information is included in the
28 data set or that person's family members without explicit permission
29 from the department.

30 (~~(9)~~) (10) In addition to the conditions required by subsection
31 (~~(7)~~) (8) of this section, the written data-sharing agreement for
32 birth or fetal death record data with indirect identifiers under
33 subsection (5) of this section must prohibit the recipient of the
34 data from attempting to determine the identity of persons whose
35 information is included in the data set or use the data in any manner
36 that identifies individuals or their family members.

37 (~~(10)~~) (11) The department and the state institutional review
38 board shall apply the most restrictive law governing data release to
39 proposals for research and public health purposes requesting data
40 sets with direct identifiers for linkage to other data sets.

1 (~~(11)~~) (12) The department may provide the fewest birth and
2 fetal death record data elements necessary for the purpose described
3 in the proposal for research or public health purposes.

4 (~~(12)~~) (13) The department may deny a request for data for
5 cause including, but not limited to, when:

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

8 (b) The research or public health proposal lacks scientific
9 merit;

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

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

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

17 (~~(13)~~) (14) The department must provide notice of the denial to
18 the requestor and include a statement of the reasons for the denial.
19 If the state registrar denies a request for data under the provisions
20 of this section, a person may appeal the decision under RCW
21 70.58A.550.

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

35 (~~(15)~~) (16) The department shall make available to the
36 department of social and health services, division of child support,
37 the social security numbers of parents listed on birth records as
38 required for establishing child support upon receipt of a signed
39 written data-sharing agreement with the department.

1 (~~(16)~~) (17) The department may release vital records to the
2 national center for health statistics to be used solely for national
3 statistics upon approval of the state registrar and receipt of a
4 signed written data-sharing agreement with the department.

5 (~~(17)~~) (18) The department may release copies of vital records
6 through an interjurisdictional exchange agreement to offices of vital
7 statistics in states or territories of the United States, the
8 District of Columbia, New York City, or neighboring countries. The
9 records must relate to a resident of, a person born in, or a person
10 who died in the requesting state, territory, the District of
11 Columbia, New York City, or neighboring country.

12 (~~(18)~~) (19) The department may release indices of death,
13 marriage, and divorce records annually to the state archives.

14 (~~(19)~~) (20) Nothing in this chapter may be construed as giving
15 authority to the state or local registrar, department, government
16 agencies, or data recipients to sell or provide access to lists of
17 individuals when requested for commercial purposes.

18 (~~(20)~~) (21) For the purposes of this section:

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

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

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

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

36 (e) "Research" means a systematic investigation, including
37 research development, testing, and evaluation, designed to develop or
38 contribute to generalizable knowledge. Activities that meet this
39 definition constitute research for purposes of this policy, whether

1 or not they are conducted or supported under a program that is
2 considered research for other purposes.

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

5 HEALTH CARE AUTHORITY—INFORMATION SHARING. Subject to federal and
6 state laws governing the disclosure of confidential information, the
7 office of the state treasurer, the department of health, and the
8 authority shall enter into a memorandum of understanding to establish
9 information sharing practices necessary to carry out the purposes of
10 chapter 43.--- RCW (the new chapter created in section 12 of this
11 act) by September 30, 2036.

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

14 NEW SECTION. **Sec. 13.** SEVERABILITY. If any provision of this
15 act or its application to any person or circumstance is held invalid,
16 the remainder of the act or the application of the provision to other
17 persons or circumstances is not affected.

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