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May 16, 2025

The Honorable Steve Hobbs
ATTN: Stuart Holmes
PO Box 40229
Olympia, WA 98504-0229

Re: Ballot Title and Explanatory Statement for SJR 8201

Dear Secretary Hobbs:

In accordance with RCW 29A.36.020 and RCW 29A.32.040, we supply herewith the Ballot Title and Explanatory Statement for SJR 8201:

Ballot Title

Statement of Subject: The legislature has proposed a constitutional amendment on allowing money in Washington's long-term care fund to be invested.

Concise Description: This amendment would allow the state fund dedicated to providing long-term care benefits for eligible seniors and people with disabilities to be invested as authorized by law.

Should this constitutional amendment be:

Approved ☐
Rejected ☐

EXPLANATORY STATEMENT

The Law As It Presently Exists

The Washington Constitution generally prohibits investing public money in the stock of private companies. This means that state funds can only be invested in fixed-income securities, such as government and corporate bonds and certificates of deposit.

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The Constitution currently exempts several funds from this restriction. This exemption applies to any public pension or retirement fund, workers' compensation funds, and money held in trust for the benefit of people with developmental disabilities, permitting those funds to be invested as authorized by law, including in the stock of private companies. The Washington State Investment Board invests and manages these funds.

In 2019, the legislature created a long-term care insurance program. The program provides money to pay for certain long-term care services, such as nursing home care, to program beneficiaries who need assistance with daily living. Under that law, employees pay premiums for long-term care insurance through a payroll deduction, and those premiums are deposited into a Long-Term Services and Supports Trust Account. Under the current provision of the Constitution, money held in the Trust Account cannot be invested in the stock of private companies.

The Effect of the Proposed Amendment if Approved

This Amendment would allow funds in the Long-Term Services and Supports Trust Account to be invested in the stock of private companies, if authorized by law. Investment income from the Long-Term Services and Supports Trust Account could only be used for long-term care services and supports for program beneficiaries, including for seniors and people with disabilities.

Sincerely,

s/Karl D. Smith

KARL D. SMITH

Deputy Solicitor General

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