

HOUSE BILL REPORT

HB 2744

As Reported by House Committee On:
Capital Budget

Title: An act relating to capital projects for local nonprofit youth organizations.

Brief Description: Creating a competitive grant program for nonprofit youth organizations.

Sponsors: Representatives Murray, Esser, Lantz, Hankins, Ogden, Woods, Hunt, Ballasiotes, O'Brien, Veloria, Lovick, Reardon, Edwards, Dickerson, Jackley, Lysen, Chase, Upthegrove, Conway and Santos.

Brief History:

Committee Activity:

Capital Budget: 2/4/02, 2/12/02 [DPS].

Brief Summary of Substitute Bill

- Requires the Department of Community, Trade, and Economic Development to establish a competitive grant program to assist nonprofit youth organizations in acquiring, constructing, or rehabilitating facilities used for the delivery of nonresidential services, excluding outdoor athletic fields.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Murray, Chair; McIntire, Vice Chair; Chase, Esser, Hankins, Hunt, Lantz, O'Brien, Ogden, Reardon, Veloria and Woods.

Minority Report: Do not pass. Signed by 5 members: Representatives Alexander, Ranking Minority Member; Armstrong, Bush, Casada and Schoesler.

Staff: Susan Howson (786-7142).

Background:

The state of Washington has traditionally provided capital facilities support to local governments and other entities through a variety of competitive grant and loan programs. Examples of such programs funded through the state's capital budget include the

Washington Wildlife and Recreation Program, the Public Works Trust Fund, the Housing Trust Fund, the Heritage program, and the Building for the Arts program.

In the 1997 legislative session, a competitive grant program called the Community Services Facilities Program (CSFP) was established in statute for nonresidential capital projects for social service organizations. The CSFP is administered by the Department of Community, Trade and Economic Development (CTED) to assist nonprofit organizations in acquiring, constructing, or rehabilitating facilities used for the delivery of nonresidential social services.

Individual nonprofit youth organizations have received funding through the Community Services Facilities Program in prior biennia. The 1999-01 capital budget specifically provided \$1.5 million from the program's appropriation for the development, renovation, and expansion of Boys and Girls Clubs in Washington.

Summary of Substitute Bill:

The CTED is directed to establish a process for soliciting and prioritizing projects that assist nonprofit youth organizations in acquiring, constructing, or rehabilitating facilities used for the delivery of nonresidential services, excluding outdoor athletic fields. Eligible projects must have a major recreational component, and must have an educational or social service component.

The CTED must evaluate and rank project applications in consultation with a citizen advisory committee and submit a prioritized list of recommended projects to the Governor and the Legislature in their biennial capital budget request beginning with the 2003-05 biennium. Capital budget requests for the program must not exceed \$2 million in any biennium and a \$500,000 alternate list of projects is permitted.

State assistance is limited to up to 25 percent of the total project cost. The non-state portion of the total project cost may include cash, the value of real property when acquired solely for the purpose of the project, and in-kind contributions.

Except for the 2001-03 biennium, the CTED may not sign contracts with organizations for funding assistance until the Legislature has approved a specific list of projects. The contracts must require the repayment of both principal and interest costs of the grant if the capital improvements are used for purposes other than that specified in the grant.

If an appropriation for the program is made in the 2002 supplemental capital budget, the CTED must conduct a solicitation and ranking process, but does not need to submit the list to the Governor and the Legislature for approval. Supplemental capital budget appropriations for the program must not exceed \$250,000.

Substitute Bill Compared to Original Bill:

The type of projects eligible to receive funding under this program is clarified. Projects must have a major recreational component, and must also have an educational or social service component.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: The Boys and Girls Clubs are expanding quickly in Washington to provide needed services to our youth. It is expected that these clubs will be trying to raise roughly \$50 million in the next biennium for construction of new clubs, and for expansion and improvement of existing facilities. Activities and programs offered by the Boys and Girls Clubs and the YMCA organizations include: character, leadership, and self-esteem development; education development; health and life skills; sports, fitness, and recreation; and the arts. This bill sets clear objectives and will provide much needed assistance to nonprofit youth organizations statewide.

Testimony Against: None.

Testified: Representative Murray, prime sponsor; Steve Wehrly, Boys and Girls Club; Jim Kindle, Boys and Girls Club; and Amy Bell, YMCA's of Washington.