

HOUSE BILL REPORT

SSB 6442

As Reported by House Committee On: Capital Budget

Title: An act relating to the developmental disabilities community trust account.

Brief Description: Creating the developmental disabilities community trust account.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Zarelli, Prentice, Parlette, Regala, Hargrove, Hewitt, Winsley, B. Sheldon, Esser, Fraser, Eide, Hale, Kline, Brandland, Fairley, Schmidt, Stevens, Johnson, McCaslin, Carlson, Horn, Benton, Mulliken, Roach, McAuliffe, Murray, Rasmussen, Oke and Pflug).

Brief History:

Committee Activity:

Capital Budget: 2/18/04, 3/1/04 [DPA].

Brief Summary of Substitute Bill (As Amended by House Committee)

- Requires that excess property and harvestable timber identified in the 2002 JLARC capital study of residential habilitation centers be managed to produce income for deposit into the developmental disabilities community trust account. The property cannot be sold to generate income.
- Creates the developmental disabilities community trust account. All income from excess property identified in the study must be deposited into this account.
- Provides that investment income from the account must be used solely for community developmental disability services and can not replace existing funding.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass as amended. Signed by 21 members: Representatives Dunshee, Chair; Hunt, Vice Chair; Alexander, Ranking Minority Member; Priest, Assistant Ranking Minority Member; Benson, Blake, Chase, Eickmeyer, Hankins, Hinkle, Kirby, Lantz, Mastin, Morrell, Murray, Newhouse, O'Brien, Orcutt, G. Simpson, Veloria and Woods.

Minority Report: Without recommendation. Signed by 2 members: Representatives Bush and Schoesler.

Staff: Charlie Gavigan (786-7340).

Background:

The Division of Developmental Disabilities (DDD) in the Department of Social and Health Services (DSHS) operates five residential habilitation centers (RHCs), which provide 24-hour residential housing for qualified individuals with developmental disabilities needing institutional care. In addition, RHCs provide respite care and other specialized services to eligible individuals living in the community. Specific services provided at RHCs include occupational and physical therapy, limited job training, medical and dental care, pharmaceutical services, and all other services necessary to a population in an institutional setting, such as transportation, food service, recreation, personal hygiene, and social activities. The RHCs consist of the following: Fircrest School, located in Shoreline; Frances Haddon Morgan Center, located in Bremerton; Lakeland Village, located in Medical Lake; Rainier School, located in Buckley; and Yakima Valley School, located in Selah.

Lakeland Village, the first RHC in the state, opened in 1915. At their peak in 1967, RHCs housed a combined population of over 4,000 residents. Since that time, the number of individuals with developmental disabilities living in institutions in the state has declined. Currently, approximately 1,100 individuals live in RHCs.

In 2002, the Joint Legislative Audit and Review Committee (JLARC) did a capital study on the RHCs (02-12). In the report, JLARC concluded that Lakeland Village, Rainier School, and Yakima Valley School have excess property that can be sold with no impact on current institutional operations. The JLARC estimates that the excess parcels at these three facilities would generate approximately \$7 million if sold.

Summary of Amended Bill:

Excess property and harvestable timber identified in the 2002 JLARC capital study of residential habilitation centers must be managed to produce income for deposit into the developmental disabilities community trust account without selling the property. The Department of Social and Health Services must report to the Legislature by June 30, 2005, on its strategies to produce income from these excess properties for deposit into the trust account. The portion of the excess property at the Rainier School under the management of Washington State University is exempt from providing income to the trust.

A developmental disabilities community trust account is created in the state treasury. All income from excess property not held in trust identified in the JLARC study must be deposited into this account. Investment income from the principal of the proceeds deposited into the trust account may be spent from the account. Investment income from the account may be spent only after appropriation and must be used solely for community developmental disability services for persons with developmental disabilities who are unserved. Moneys in the account may not be used to supplant ongoing expenditures for community services to persons with developmental disabilities.

The interest earnings from the developmental disabilities community trust account stays with the account rather than going to the general fund.

Amended Bill Compared to Substitute Bill:

Rather than selling the excess property and depositing the sale proceeds in the trust account, the excess property must be managed to provide income to the extent feasible short of sale of the property. The property managed by Washington State University at Rainier School is exempt from producing income for the trust. Yakima Valley School is included, and clarification is made that excess property does not include property necessary to support the mission of the residential habilitation center.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately, except section 5 which takes effect July 1, 2005.

Testimony For: The new trust will provide additional resources to help developmentally disabled persons in our communities. There are about 9,000 developmentally disabled persons in communities and about 1,100 in state residential habilitation centers. Additional resources are needed to help this under-served group. It is important to provide more resources to support developmentally disabled persons and their families, and to make jobs and other opportunities available to developmentally disabled persons in communities. Selling the property to generate funds should be an option.

(With concerns) The land at Rainier School managed by Washington State University should be excluded.

Testimony Against: None.

Persons Testifying: (In support) Senator Zarelli, prime sponsor; Shelley Longacre, Dennis Herzog, and Robert M. Wardell, People First; Diana Stadden, Autism Society of Washington; Sue Elliot, Arc of Washington; Ed Holen, D.D. Council; Phil Jordan, Washington Protection and Advocacy System; and Diana Robeshaw.

(With concerns) Larry Ganders, Washington State University.

Persons Signed In To Testify But Not Testifying: None.