

HOUSE BILL REPORT

SHB 1791

As Passed House:

March 8, 2005

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

Brief Description: Creating a developmental disabilities community trust account.

Sponsors: By House Committee on Capital Budget (originally sponsored by Representatives Dunshee, Schual-Berke, Kenney, Hankins, Lovick, Morrell, Wood, Kagi, Simpson, McDonald, Eickmeyer, Appleton, O'Brien, Ormsby, DeBolt, Wallace, Upthegrove, Strow, Moeller, Jarrett, Kessler, Miloscia, Murray, Cody, Conway, McCune, Lantz, P. Sullivan, Tom, Ericks, Haigh, McDermott, Hasegawa and Linville).

Brief History:

Committee Activity:

Capital Budget: 2/10/05, 2/23/05 [DPS].

Floor Activity:

Passed House: 3/8/05, 97-1.

Brief Summary of Substitute Bill

- Requires that excess property identified in the 2002 Joint Legislative Audit and Review Committee capacity study of Residential Habilitation Centers must be managed to provide as much income as feasible.
- Creates a Developmental Disabilities Community Trust Account. All income from the lease of land, conservation easements, sale of timber, or other activities short of the sale of property must be deposited in the account.
- Retains investment income and interest in the account. Provides that investment income from the account must be spent only after appropriation and must be used solely for community developmental disability services for persons with developmental disabilities who could be served by community-based developmental disability services.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Jarrett, Ranking Minority Member; Hankins, Assistant Ranking Minority Member; Blake, Cox, Eickmeyer, Ericks, Ericksen, Flannigan, Hasegawa, Holmquist, Kretz, Kristiansen, Lantz,

McCune, Moeller, Morrell, Newhouse, O'Brien, Roach, Schual-Berke, Serben, Springer, Strow and Upthegrove.

Minority Report: Do not pass. Signed by 2 members: Representatives Chase and DeBolt.

Staff: Marziah Kiehn-Sanford (786-7349).

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 currently in operation are: 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 peak occupancy in 1967, 4,145 people with developmental disabilities lived in the state's six RHCs. At present, fewer than 1,000 of the state's 33,000 clients with developmental disabilities live in the five institutions, while the remaining 97 percent live in their communities.

In 2002, the Joint Legislative Audit and Review Committee (JLARC) completed a capital study of the RHCs. In the report, the 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 sale of the excess parcels at these three facilities would generate approximately \$7 million. Sale of timber is another potential revenue generating activity identified by the JLARC report.

The 2003-05 operating budget provided funds for transitional costs associated with downsizing the Fircrest School. The 2003-05 capital budget provided \$6 million for RHC consolidation related activities.

Summary of Substitute Bill:

Excess property identified in the 2002 JLARC capital study of RHCs must be managed to maximize income. The income generated from the lease of land, conservation easements, sale of timber, or other activities must be deposited into the Developmental Disabilities Community Trust Account (Account). Income for deposit into the Account will not come from the sale of property. By June 30, 2006, the DSHS must report on its efforts and strategies to provide income to the Account from activities on or lease of excess property identified in the JLARC study.

The interest earnings from the Account stays with the Account rather than going to the State General Fund. 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 could be served by community-based developmental disability services. Moneys in the Account may not be used to supplant ongoing expenditures for community services to persons with developmental disabilities.

Statutory references to Washington State University agricultural operations on property at the Rainier School are repealed.

This act may be known and cited as the "Dan Thompson Act."

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2005, except for section 5, relating to accounts which may retain account earnings, which takes effect July 1, 2006.

Testimony For: (Original bill) Currently, there is a great need to provide for a full spectrum of services required for the developmentally disabled (DD) and their families. Creating a trust account is an innovative way to use existing resources within the DD service system to help families with developmentally disabled members. The lease of land and sale of timber at the Rainier, Lakeland Village and Yakima Valley institutions would not impact RHC operations. Proceeds will not replace, supplant or reduce existing DD expenditures.

(With Concerns) While the Developmentally Disabled Stakeholders Work Group supports the concept of a developmentally disabilities community trust account, they recommend honoring the comprehensive agreement set in 2002.

Testimony Against: (Original bill) Since the need of the DD community is far greater than a small trust fund can provide for, the recommendation is to include money for the DD community in the Housing Trust fund. The Department of Social and Health Services opposes development of RHC land without creating a wastewater treatment facility on the Rainier School property.

Persons Testifying: (In support) Ed Holen, Developmental Disabilities Council; Lance Morehouse, Spokane County Parent Coalition; Cheryl Green, Partnership 2020; Harry Tachell, Kitsap County Parent Council, Self Advocates of Washington, Kitsap County, and ARC of Kitsap and Jefferson counties; George Adams, ARC of Kitsap and Jefferson counties; Wayne Tachell, People First, Kitsap County; and Jean Wessman, WA Association of Counties.

(With concerns) Dennis Eagle, Washington Federation of State Employees.

(Opposed) Elizabeth McNagny, Department of Social and Health Services; and Dave Wood.

Persons Signed In To Testify But Not Testifying: None.