

SENATE BILL REPORT

SHB 1791

As Reported By Senate Committee On:
Ways & Means, March 23, 2005

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

Brief Description: Creating a developmental disabilities community trust account.

Sponsors: 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: Passed House: 3/08/05, 97-1.

Committee Activity: Ways & Means: 3/22/05, 3/23/05 [DPA].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Fraser, Vice Chair; Zarelli, Ranking Minority Member; Brandland, Fairley, Hewitt, Parlette, Pflug, Pridemore, Regala, Roach, Rockefeller, Schoesler and Thibaudeau.

Staff: Carole Holland (786-7441)

Background: Residential habilitation centers (RHCs) are state-operated institutions that provide 24-hour residential services for qualified individuals with developmental disabilities needing institutional care. Five RHCs are established in statute and include: 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.

A December 2002 Joint Legislative Audit and Review Committee (JLARC) study of the possible alternative uses of the land and facilities currently used by RHCs identified "excess" property that was not needed for RHC operations. In 2003, the Legislature directed the State Investment Board (SIB) to contract with a real estate investment consultant to prepare options and recommend investment strategies for excess property at the five state residential habilitation centers.

The JLARC report estimated that excess property at Lakeland Village, Rainier School, and Yakima Valley School could be sold with no impact on current institutional operations and estimated the value for these three institutions at \$7.7 million.

Summary of Amended Bill: The developmental disabilities community trust account is established. Excess property identified in the 2002 JLARC capital study of the RHCs must be managed to provide as much income as feasible. Income may only come from the lease of

property, sale of timber, or other activity short of sale of the property. The Department of Social and Health Services must report on its efforts to provide income to the community trust account by June 30, 2006.

The proceeds are to be placed into a perpetual trust account. Expenditures are subject to appropriation by the legislature and must be used exclusively for community based services for persons with developmental disabilities. 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 at the Rainier School are repealed.

The act may be known and cited as the Dan Thompson act.

Amended Bill Compared to Original Bill: The amended bill removes language regarding the perpetual trust, removes references to Yakima Valley School, allows for the sale of property, and specifies that funding is for eligible persons for family support and/or employment and day, rather than the broader term "community services."

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2005, except for section 5, which takes effect July 1, 2006.

Testimony For: This bill takes an important first step in increasing resources for persons with developmental disabilities. This bill is similar to the Senate bill for setting up the developmental disabilities community trust account. We prefer the Senate bill for most provisions, particularly as it allows for the sale of property. We would like to see the provision for the Department of Social and Health Services to report on their efforts to provide income to the Trust Account.

Testimony Against: None.

Who Testified: PRO: Sue Elliott, ARC of Washington.