

# ***HOUSE BILL ANALYSIS***

## ***SB 5084***

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**Title:** An act relating to modifying the procedure for determining the administrative costs allowed for the community public health and safety networks.

**Brief Description:** Modifying the procedure for determining the administrative costs allowed for the community public health and safety networks.

**Sponsors:** Senators Hargrove and Long.

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### **HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES**

**Meeting Date:** February 16, 2000.

**Bill Analysis Prepared by:** Deborah Frazier (786-7152).

**Background:** Community public health and safety networks are authorized by the Legislature to reconnect parents and other citizens with children, youth, families, and community institutions which support health, and safety. The Family Policy Council created 53 community public health and safety networks in 1994. Twenty-six of the networks did not meet the statutory presumption that they would contain at least 40,000 people within their boundaries.

The networks are limited to spending no more than 10 percent of the funds available to them for administrative purposes. The current statutory definition of administrative costs includes procurement, payroll processing, personnel functions, management, maintenance and operation of space and property, data processing and computer services, accounting, budgeting, auditing, indirect costs and organization planning, consultation, coordination, and training.

The Family Policy Council reports that, on average, the networks spend 7 percent of their grants on administration. The amount of each two-year grant ranges from \$61,000 to \$451,000.

The Washington State Institute for Public Policy reported the following in an evaluation of the networks entitled "Community Networks: Progress Toward Measuring Results":

"The 10 percent administrative cap in the network legislation is a major obstacle for their performance. Managing resources to achieve results is very different from traditional administration. In this context, administration includes leadership to coordinate private and public efforts, facilitating discussions with service providers about measuring results, and managing (not just administering) contracts. These

activities are necessary to achieve results and, at present, come under the definition of administration. The cap is too restrictive for outcome-based management and leadership, particularly for smaller networks."

The provisions of Senate Bill 5084 are currently included in the 1999-2001 operating budget and reflect current practice. The provisions must be authorized in statute, or re-authorized in each biennial budget act, in order for this practice to continue to be operational.

***Summary of Bill:*** Senate Bill 5084 narrows the list of activities that are included in the definition, and calculation, of administrative costs. The new definition includes costs associated with accounting, budgeting, and auditing only.

Each network must ensure that administrative costs, as defined, are kept at 10 percent of the funds available to the network, or \$20,000 per biennium, whichever is greater.

***Appropriation:*** None.

***Fiscal Note:*** Available.

***Effective Date:*** Ninety days after adjournment of session in which bill is passed.