

SENATE BILL REPORT

SB 6703

As Reported By Senate Committee On:
Health & Long-Term Care, February 3, 1998

Title: An act relating to establishing a public/private endowment for developmental disabilities services.

Brief Description: Establishing the developmental disabilities endowment trust fund.

Sponsors: Senators McDonald, Fairley, Deccio, Kline, Winsley, Bauer, Rasmussen, Stevens, Prentice, Long, Finkbeiner, Wojahn and Kohl.

Brief History:

Committee Activity: Health & Long-Term Care: 2/3/98 [DP-WM].

Ways & Means: 3/9/98.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Deccio, Chair; Wood, Vice Chair; Benton, Franklin and Wojahn.

Staff: Rhoda Jones (786-7198)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Tim Yowell (786-7435)

Background: Individuals with developmental disabilities have conditions related to mental retardation, cerebral palsy, epilepsy, autism or other neurological conditions which originated before their 18th birthday and are expected to continue indefinitely.

Most persons with developmental disabilities reside at home, some receiving an array of services through state and federally funded programs. Others reside in residential facilities in the community or institutions operated specifically for the developmentally disabled.

Many people with developmental disabilities, particularly those being cared for by elderly parents, need out-of-home residential care for which they are unable to pay, and for which public funds have not been appropriated.

Summary of Bill: The Developmental Disabilities Endowment Trust Fund is created. The endowment is to be funded through periodic state appropriations, which will be used to match contributions from families or other private donors. Funds in the trust are to be invested by the State Investment Board. Once there are sufficient funds in an individual's account to pay for services for a significant share of the person's remaining lifetime, the funds can be withdrawn to pay for those services.

Endowment operations are to be directed by a seven-member governing board. Board members must have experience in finance, business, developmental disability services, public policy, and at least three members must be family members of persons with developmental disabilities. Six members of the board are to be appointed by the Governor, and the seventh is to be chosen by these six. Administrative support for the board is to be provided by the Department of Community, Trade, and Economic Development (CTED).

Ten principles are established to govern design and implementation of the program. These include providing incentives for long-range financial planning by families, encouraging family care giving, requiring private contributions that are at least equal to the state's contribution, providing services that are stable, on-going and of reasonable quality, and requiring that funding be sufficient to last a significant portion of the beneficiary's remaining lifetime.

The endowment's governing board is to contract for the development of a proposed operating plan. The operating plan is to include actuarial and financial analyses of, and recommendations on, alternative service levels and costs, participation rates, contribution levels, eligibility criteria, and administrative mechanisms and costs.

The endowment's governing board must submit the proposed operating plan to the Legislature by October 1, 1999, but further legislation is not required before program implementation. The governing board either administers the plan through CTED, or contracts for a private administrator. The Department of Social and Health Services is directed to seek necessary waivers for federal matching funds, and the endowment fund may accept private gifts.

Appropriation: \$10 million.

Fiscal Note: Available.

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

Testimony For (Health & Long-Term Care): This helps families plan for the residential care needs of their children and allows parents to think creatively about their options. Programs for the developmentally disabled are so underfunded. New funding sources are needed.

Testimony Against (Health & Long-Term Care): None.

Testified (Health & Long-Term Care): PRO: Jeff Larsen, United Cerebral Palsy of King and Snohomish Counties; George Walker, Chair, DD Council; Nancy Meltzer, ARC of King County; Margaret Lee Thompson, King County Parent Coalition; Roy Ferguson; Sandy Silveria, Clark County Parent Coalition; Tim Brown, DSHS/DDD.

Testimony For (Ways & Means): We need to start preparing and planning now for the time when the large number of parents who are caring for a developmentally disabled son or daughter at home will no longer be able to do so. We need to give families incentives and assistance to put money away to provide for their disabled child's long-term care. It seems unlikely the state will ever have enough resources to provide for all of the thousands

of people with developmental disabilities who are already on waiting lists. This would be a creative way, not yet attempted in any other state, to provide an alternative for some people. People who do not have a family with a developmental disability, and corporations, would likely contribute to the endowment also. Proceeds from the sale or lease of state properties currently used for the benefit of people with development disabilities might also be dedicated to the endowment.

Testimony With Concerns (Ways & Means): Matching public dollars with private funds could create an inequitable disadvantage for people whose families do not have the funds to contribute. Establishing a separate set of services funded out of the endowment could create a coordination problem with DSHS services.

Testified (Ways & Means): PRO: Senator McDonald, prime sponsor; Senator Deccio, co-sponsor; George Walker, Chair, Developmental Disabilities Council; Sue Elliott, ARC of Washington State; Janet Adams, Developmental Disabilities Advocacy Coalition; Roy Ferguson; Ted Daniels, King County Board for Developmental Disabilities; CONCERNS: Tim Brown, DSHS/DDD.