

# HOUSE BILL REPORT

## HB 1630

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**As Reported by House Committee On:**  
State Government

**Title:** An act relating to the disposition of surplus facilities for persons with developmental disabilities.

**Brief Description:** Requiring proceeds from the sale of facilities listed in chapter 71A.20 RCW to support programs for persons with developmental disabilities.

**Sponsors:** Representatives O'Brien, Woods, Chase, Armstrong, Kirby, Jarrett, Hatfield, Skinner, Haigh, Delvin, Morris, Murray, Quall, Lovick, Santos, Edwards, Simpson, Linville, Kenney, Rockefeller and Miloscia.

**Brief History:**

**Committee Activity:**

State Government: 2/18/03, 2/28/03 [DPS].

**Brief Summary of Substitute Bill**

- The net proceeds from surplus property at Lakewood Village, Rainier School, and Yakima Valley School are designated to supplement funding for employment and day services for individuals with developmental disabilities.

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### HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Haigh, Chair; Miloscia, Vice Chair; Armstrong, Ranking Minority Member; Shabro, Assistant Ranking Minority Member; Hunt, McDermott, Nixon, Tom and Wallace.

**Staff:** Anne Warwick (786-7291) and Katie Blinn (786-7114).

**Background:**

The Division of Developmental Disabilities (DDD), within the Department of Social and Health Services (DSHS), provides support and service to state residents with developmental disabilities. Services range from case management and needs assessment to rehabilitative therapies and intensive daily living support. The DDD operates five

residential habilitation centers (RHCs) to provide 24-hour residential housing for approximately 1,100 eligible individuals. Specific services provided at the RHC's include occupational and physical therapy, limited job training, medical and dental care, pharmaceutical services, and other services necessary to a population living in an institutional setting. These facilities are located in Bremerton, Shoreline, Medical Lake, Buckley, and Selah. The state's five institutions of the DDD cover 1,865 acres and the buildings include 2.3 million square feet. These facilities are large in scale and specialized. All five facilities operate their own boiler systems. One has its own water source and wastewater treatment facility. Another has its own greenhouse. All five have large kitchens and maintenance buildings.

### **Trust Lands**

Washington's Enabling Act (Act) provides for the establishment of a trust for the support of institutions such as those now managed by the DSHS and the Department of Corrections. The Act calls for the state support of such institutions by designating certain lands as Charitable, Educational, Penal, and Reformatory Institution (CEP&RI) trust lands, and then using those lands to generate income for the institutions through timber sales, agricultural leases, or other uses. The Department of Natural Resources (DNR) manages the state's CEP&RI trust lands as well as other state trust lands. The DNR has certain duties with regard to how these trust lands are managed; in general, the lands are managed for the benefit of the beneficiaries of the trust.

The DSHS manages land and buildings for a wide assortment of operations, including institutions for the mentally ill and the developmentally disabled, regional administrative offices, and local community service centers. In 1991 legislation was enacted directing the DSHS to inventory all of its property every five years and to determine which property is "surplus." Once the property is declared surplus, the DNR has the opportunity to accept the property into the CEP&RI trust. The DNR will only accept the surplus property if the land has the potential to generate revenue for the trust beneficiaries. To date, the DNR has added 387 acres to the trust under this new policy. If the DNR determines that the property is overly encumbered or has low revenue-generating potential, the DSHS then works with the Department of General Administration to sell the property. To the extent that any of the RHC land or buildings are designated as "surplus" by the DSHS, the properties may receive the status of the CEP&RI trust lands through the process enacted in the 1991 law.

### **JLARC Findings**

The 2001-03 Capital Budget directed the Joint Legislative Audit and Review Committee (JLARC) to conduct a study of the possible alternative uses of the land and facilities currently used by state operated residential habilitation centers and nursing facilities for persons with developmental disabilities. The JLARC found that three of the five campuses (Lakeland Village, Rainier School, and Yakima Valley School) include excess land and buildings that could be disposed of with little or no impact to the current RHC operations. These excess lands have a combined value of \$7.7 million (plus \$5.7 million

to \$7 million in timber on the Rainier land).

A December 4, 2002 report issued by the JLARC identified options to dispose of surplus property at Lakewood Village, Rainier School, and Yakima Valley School.

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**Summary of Substitute Bill:**

The net proceeds of the sale or sales of any building, facility, or tract or land not held in trust at any of the residential habilitation centers of Lakewood Village, Rainier School, and Yakima Valley School are designated to supplement funding in employment and day services for individuals with developmental disabilities to receive employment or day programs.

**Substitute Bill Compared to Original Bill:**

The bill removes the downsizing of institutions and residential habilitation centers from the language, and broadens the scope of what the surplus funds may be used for to include all needs identified by the DSHS.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** The developmental disability (DD) community of care-givers believe in client choice. Nationally and locally we are moving away from caring for the DD community in facilities and are establishing more community and independent living situations. We believe in the intent of the bill, but have a few concerns.

(With amendments) The downsizing of Residential Habilitation Centers and flexibility in the use of assets or funds is necessary in moving forward in the care of the DD community, and we would suggest those changes to the bill.

**Testimony Against:** None.

**Testified:** (In support) Representative O'Brien, prime sponsor.

(With amendments) Donna Patrick, Developmental Disabilities Council; and Duwane Huffaker, Washington Federation of State Employees.