

# HOUSE BILL REPORT

## SSB 6190

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### As Reported by House Committee On: Capital Budget

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

**Brief Description:** Preserving the developmental disabilities community trust.

**Sponsors:** Senate Committee on Health & Long Term Care (originally sponsored by Senators Braun, Keiser and Kuderer).

**Brief History:**

**Committee Activity:**

Capital Budget: 2/25/20, 3/2/20 [DPA].

**Brief Summary of Substitute Bill  
(As Amended by Committee)**

- Restructures and renames the Dan Thompson Memorial Developmental Disabilities Community Trust Account to the Dan Thompson Memorial Developmental Disabilities Community Services Account (Account).
- Requires the State Investment Board to invest the Account funds and to routinely consult and communicate with the Department of Social and Health Services and the Legislature on the investment policy, earnings of the Accounts, and related needs of the Account.

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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** Do pass as amended. Signed by 21 members: Representatives Tharinger, Chair; Callan, Vice Chair; Doglio, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Steele, Assistant Ranking Minority Member; Corry, Davis, Dye, Gildon, Leavitt, Lekanoff, Maycumber, Morgan, Pellicciotti, Peterson, Riccelli, Santos, Sells, Stonier and Walsh.

**Staff:** Richelle Geiger (786-7139).

**Background:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The Department of Social and Health Services (DSHS) Developmental Disability Administration (DDA) assists individuals with developmental disabilities and their families to obtain services and support based on individual references, capabilities, and needs. The DDA clients live in residential habilitation centers (RHCs), an institutional setting, as well as in the community.

The DSHS operates four RHCs for individuals with developmental disabilities:

1. The Fircrest RHC in Shoreline supports about 190 long-term residents and includes both a nursing facility and an Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID).
2. The Lakeland Village RHC in Medical Lake supports about 170 long-term residents and includes both a nursing facility and an ICF/IID.
3. The Rainier School RHC in Buckley supports about 150 long-term residents and includes an ICF/IID.
4. The Yakima Valley School RHC supports about 50 long-term residents in a nursing facility and provides planned respite services and crisis stabilization stays.

Nursing facilities provide 24-hour nursing care to aging individuals and individuals with developmental disabilities.

The Developmental Disabilities Community Trust Account, known as the Dan Thompson Memorial Trust Account, was established in 2005. All proceeds from the use of excess RHC property, specified in statute, are deposited into the Account. Income may come from the lease of land, conservation easements, sale of timber, or other activities short of the sale of property. The disposal of excess property cannot impact current RHC operations.

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### **Summary of Amended Bill:**

The Dan Thompson Memorial Developmental Disabilities Community Trust Account is restructured and renamed the Dan Thompson Memorial Developmental Disabilities Community Services Account (Account). The requirement that proceeds from certain excess DSHS property on RHCs be deposited in the Account and related definitions are removed.

The definition of Account "proceeds" is revised. Proceeds from the sale of land must be deposited in the Account, and sales or leases must be at fair market value. Net proceeds for leases, conservation easements, or timber sales must be deposited in the Account. The Legislature may also make deposits to the Account.

Real property the DSHS determines is required for operations of RHCs is excluded from the real property that may be leased or sold for the benefit of the Account. Proceeds from real property owned by the charitable, educational, penal, and reformatory institutions trust may not be deposited in the Account.

The distinction in the Account between "investment earnings" and "principal" is removed, as is the prohibition on spending the principal of the Account. The declaration that the excess land is the principal of the Account is removed.

The State Investment Board must invest the trust funds and routinely consult and communicate with the DSHS and the Legislature on the investment policy, earnings of the Accounts, and related needs of the Account.

DSHS must consult with the Washington State Developmental Disabilities Council regarding expenditures from the Account.

**Amended Bill Compared to Substitute Bill:**

The Dan Thompson Memorial Developmental Disabilities Community Trust Account is restructured and renamed the Dan Thompson Memorial Developmental Disabilities Community Services Account (Account). The requirement that proceeds from certain excess DSHS property on RHCs be deposited in the Account, and related definitions, are removed. The definition of Account "proceeds" is revised. Real property that the DSHS deems is required for operations of RHCs is excluded from the real property that may be leased or sold for the benefit of the Account. Proceeds from real property owned by the charitable, educational, penal, and reformatory institutions trust may not be deposited in the Account. The distinction in the Account between "investment earnings" and "principal" is removed, as is the prohibition on spending the principal of the Account. The declaration that the excess land is the principal of the Account is removed. The DSHS must consult with the Washington State Developmental Disabilities Council regarding expenditures from the Account.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) In the past, the RHCs were used to institutionalize individuals with developmental disabilities and there were no federal laws related to individuals with DD. Now, there are many opportunities for individuals with DD to live and work in the community. Moving clients into the community is more cost effective than keeping them in RHCs.

The fund was established in 2005 in honor of Dan Thompson, with the vision of supporting clients in the community. The Account has not been performing well and professional trust management is needed to fulfill the vision of the Account. Stakeholders have waited many years for this opportunity.

(Opposed) None.

(Other) Some want to see all clients served in the community and for the RHCs to be closed. Revenue from leased trust land should go to the clients in the community. More affordable housing for individuals with DD is needed in the community.

**Persons Testifying:** (In support) Seth Dawson, Community Employment Alliance; Donna Patrick, Developmental Disabilities Council; and Margaret-Lee Thompson.

(Other) Ivanova Smith, Self Advocates in Leadership.

**Persons Signed In To Testify But Not Testifying:** None.