

**SENATE BILL REPORT**

**ESHB 2471**

**AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 2, 1992**

**Brief Description:** Enacting the children's investment trust act.

**SPONSORS:** House Committee on Human Services (originally sponsored by Representatives Rasmussen, Leonard, Winsley, Heavey, Moyer, Ballard, Wang, Beck, Belcher, Brumsickle, Fraser, Riley, Ebersole, Roland, Anderson, G. Cole, Prentice, Wood, Ludwig, R. Johnson, Cantwell, Spanel, Valle, Forner, Brekke, Ferguson, Hine, Morris, Ogden, May, Orr, Braddock, Appelwick, Prince, G. Fisher, Sheldon, Basich, R. Fisher, Day, Broback, O'Brien, J. Kohl, Morton, Franklin, Dorn, Kremen, Rayburn, Bowman, Hargrove, Chandler, Pruitt, Dellwo, Paris, Brough, R. King, Jones, Mitchell, Sprenkle and H. Myers)

**HOUSE COMMITTEE ON HUMAN SERVICES**

**HOUSE COMMITTEE ON REVENUE**

**SENATE COMMITTEE ON CHILDREN & FAMILY SERVICES**

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

Signed by Senators Roach, Chairman; L. Smith, Vice Chairman; Craswell, and Stratton.

**Staff:** Joanne Conrad (786-7472)

**Hearing Dates:** February 25, 1992

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass as amended.

Signed by Senators McDonald, Chairman; Craswell, Vice Chairman; Bauer, Bluechel, Gaspard, M. Kreidler, Matson, Murray, Owen, Rinehart, L. Smith, Williams, and Wojahn.

**Staff:** Mary Poole (786-7715)

**Hearing Dates:** February 27, 1992; March 2, 1992

**BACKGROUND:**

At-risk children often experience problems in education, drug and alcohol abuse, violence, criminal activity and teen pregnancy, among other outcomes. State and locally funded social service programs tend to focus on "crises response" and on treatment approaches involving specific, single services.

It has been suggested that early intervention, and a more holistic treatment approach may be valuable in preventing at-

risk behavior, with resultant social cost savings, and possibly significant reduction of serious life consequences to at-risk children and their families.

The state receives federal Community Services Block Grant (CSBG) funds which are passed through to local Community Action Agencies for social service programs. These funds, which represent approximately 6 percent of Community Action Agency budgets, are not dedicated to a specific purpose or population and therefore may be used to fill service delivery gaps and provide preventative services. The state has been informed that 40 percent (\$2.9 million/year) of the CSBG will no longer be available beginning January 1994.

Currently, there is no trust fund in the state treasury that is dedicated to providing grants for children's services.

**SUMMARY:**

A children's investment trust fund is established in the state treasury, to be supported by general appropriations, gifts, grants, and unspecified "earmarked" revenue.

The trust provides start-up funding for pilot programs, complements existing community programs, and helps develop comprehensive, culturally-sensitive, prevention-oriented programs for at-risk children, including reliance on existing community-based "magnet programs."

Use of the trust fund is managed by the Department of Community Development, which seeks grant proposals, adopts rules, performs accounting and annual site visits, reviews and analyzes program results and reports to the Legislature. The department would also contract with an independent third party for additional program evaluation focusing on the process and outcome of the grant recipients' programs.

Grants are capped at \$750,000 for a three-year period, and administrative costs for DCD are limited to 3 percent.

**Appropriation:** unspecified

**Revenue:** unspecified

**Fiscal Note:** available

**Effective Date:** July 1, 1992

**SUMMARY OF PROPOSED CHILDREN & FAMILY SERVICES AMENDMENT:**

A one-time appropriation from the general fund is established.

**SUMMARY OF PROPOSED WAYS & MEANS AMENDMENT:**

Reference in the bill to a general appropriation to support the activities of the bill is deleted. The null and void clause is clarified to specify that if no appropriation is

made from the trust fund by June 30, 1995, the act will be null and void.

**TESTIMONY FOR (Children & Family Services):**

A children's trust fund could provide program support for a wide variety of children's services.

**TESTIMONY AGAINST (Children & Family Services):** None

**TESTIFIED (Children & Family Services):** Representative Marilyn Rasmussen, Representative Dennis Dellwo, prime sponsors; Karl Anderson, Tacoma-Pierce County Commission on Children and Families; Rick Allen, State Association of Community Action Agencies; Jeri R. White, Medina Children's Service; Mike Ryherd, lobbyist

**TESTIMONY FOR (Ways & Means):**

Federal community services block grant funds available to Washington State will be reduced in 1994, and this bill would enable services providers to identify funding sources and apply for replacement funding. There is currently no connecting link between the different state agencies and programs that provide services to at-risk children. Programs need to work with children much earlier, before abuse and neglect have occurred.

**TESTIMONY AGAINST (Ways & Means):** None

**TESTIFIED (Ways & Means):** PRO: Mike Ryherd, State Association of Community Action Agencies; Rick Allen