

SENATE BILL REPORT

SSB 5583

AS PASSED SENATE, MARCH 15, 1991

Brief Description: Pertaining to the child care facility fund.

SPONSORS: Senate Committee on Commerce & Labor (originally sponsored by Senators Anderson, McMullen, Moore, L. Smith and Oke; by request of Dept. of Trade and Economic Developmt).

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 5583 be substituted therefor, and the substitute bill do pass.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; Bluechel, McCaslin, McDonald, McMullen, Murray, and Skratek.

Staff: Jonathan Seib (786-7427)

Hearing Dates: February 26, 1991; February 28, 1991

BACKGROUND:

The child care facility fund was created by the Legislature in 1989. Administered by a committee within the Business Assistance Center of the Department of Trade and Economic Development, the fund provides grants, loans, and loan guarantees of up to \$25,000 to businesses to start or improve child care facilities. It was intended that the fund be revolving; that money loaned would be returned to it for redistribution. Provisions explicitly providing for this, however, were not included in the bill.

There has reportedly, however, been few applications to the fund for loans, which are subject to the \$25,000 limit. It is suggested that a higher loan limit would better benefit child care projects and make loans more attractive to potential applicants. Loans, but not grants, are returned to the fund for redistribution.

SUMMARY:

The child care facility fund is made a revolving fund, not subject to reappropriation.

The maximum loan amount that the committee is authorized to award is increased to \$100,000.

Appropriation: none

Revenue: none

Fiscal Note: available

TESTIMONY FOR:

The attorney general for the Department of Trade and Economic Development believes these changes are necessary to clarify the revolving nature of the fund. A revolving fund provides an ongoing source of money for child care facility development. The administrative costs should not be taken from the fund. To do so would eventually deplete the fund.

TESTIMONY AGAINST: None

TESTIFIED: PRO: David Dougherty, Department of Trade and Economic Development; Beryl Cheal, Department of Trade and Economic Development; Margie Reeves, Washington Association for the Education of Young Children; Karen Tvedt, Department of Social and Health Services