

**SENATE BILL REPORT**

**SB 5583**

**AS REPORTED BY COMMITTEE ON COMMERCE & LABOR, FEBRUARY 28, 1991**

**Brief Description:** Pertaining to the child care facility fund.

**SPONSORS:** 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.

For the 1989-91 biennium, \$1 million in federal money was placed in the fund, to be used solely for starting or improving child care facilities, and \$175,000 was appropriated from the general fund for administration of the program.

**SUMMARY:**

The child care facility fund is made a revolving fund, not subject to reappropriation. Money in the fund is to be used for child care facility grants, loans, and loan guarantees, and for administering the program.

**EFFECT OF PROPOSED SUBSTITUTE:**

The child care facility fund is made a revolving fund, not subject to reappropriation. Money in the fund is to be used solely for child care facility grants, loans, and loan guarantees. Use of the fund for program administration is not authorized.

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