

# HOUSE BILL REPORT

## HB 2705

---

---

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

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

**Brief Description:** Creating a developmental disabilities community trust account.

**Sponsors:** Representatives Dunshee, Alexander, Lovick, Armstrong, Wallace, Miloscia, Jarrett, Murray, Hankins, Schual-Berke, Boldt, O'Brien, Newhouse, Eickmeyer, Orcutt, Hunt, Kagi, Simpson, G., Clibborn, Grant, Sehlin, Pearson, Tom, Moeller, Romero, Nixon, Anderson, Talcott, Conway, Kenney, Upthegrove, Morrell and Wood.

**Brief History:**

**Committee Activity:**

Capital Budget: 1/28/04, 2/2/04 [DPS].

**Brief Summary of Substitute Bill**

- Requires that excess property and harvestable timber identified in the 2002 JLARC capital study of residential habilitation centers be managed to produce income for deposit into the developmental disabilities community trust account. The property cannot be sold to generate income.
- Creates the developmental disabilities community trust account. All income from the excess property not held in trust identified in the study must be deposited into this account.
- Provides that investment income from the account must be used solely for community developmental disability services and can not replace existing funding.

---

### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 20 members: Representatives Dunshee, Chair; Hunt, Vice Chair; Priest, Assistant Ranking Minority Member; Armstrong, Benson, Blake, Bush, Chase, Eickmeyer, Flannigan, Hankins, Hinkle, Kirby, Lantz, Morrell, Murray, Newhouse, O'Brien, Simpson, G. and Veloria.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Alexander, Ranking Minority Member; Mastin, Orcutt, Schoesler and Woods.

**Staff:** Charlie Gavigan (786-7340).

**Background:**

The Division of Developmental Disabilities (DDD) in the Department of Social and Health Services (DSHS) operates five residential habilitation centers (RHCs), which provide 24-hour residential housing for qualified individuals with developmental disabilities needing institutional care. In addition, RHCs provide respite care and other specialized services to eligible individuals living in the community. Specific services provided at RHCs include occupational and physical therapy, limited job training, medical and dental care, pharmaceutical services, and all other services necessary to a population in an institutional setting, such as transportation, food service, recreation, personal hygiene, and social activities. The RHCs consist of the following: Fircrest School, located in Shoreline; Frances Haddon Morgan Center, located in Bremerton; Lakeland Village, located in Medical Lake; Rainier School, located in Buckley; and Yakima Valley School, located in Selah.

Lakeland Village, the first RHC in the state, opened in 1915. At their peak in 1967, RHCs housed a combined population of over 4,000 residents. Since that time, the number of individuals with developmental disabilities living in institutions in the state has declined. Currently, approximately 1,100 individuals live in RHCs.

In 2002, the Joint Legislative Audit and Review Committee (JLARC) did a capital study on the RHCs (02-12). In the report, JLARC concluded that Lakeland Village, Rainier School, and Yakima Valley School have excess property that can be sold with no impact on current institutional operations. The JLARC estimates that the excess parcels at these three facilities would generate approximately \$7 million if sold.

---

**Summary of Substitute Bill:**

Excess property and harvestable timber identified in the 2002 JLARC capital study of residential habilitation centers must be managed to produce income for deposit into the developmental disabilities community trust account without selling the property. The Department of Social and Health Services must report to the Legislature by June 30, 2005, on its strategies to produce income from these excess properties for deposit into the trust account. The portion of the excess property at the Rainier School under the management of Washington State University is exempt from providing income to the trust.

A developmental disabilities community trust account is created in the state treasury. All income from excess property not held in trust identified in the JLARC study must be

deposited into this account. Investment income from the principal of the proceeds deposited into the trust account may be spent from the account. Investment income from the account may be spent only after appropriation and must be used solely for community developmental disability services for persons with developmental disabilities who are unserved. Moneys in the account may not be used to supplant ongoing expenditures for community services to persons with developmental disabilities.

The interest earnings from the developmental disabilities community trust account stays with the account rather than going to the general fund.

### **Substitute Bill Compared to Original Bill:**

Rather than selling the excess property and depositing the sale proceeds in the trust account, the excess property must be managed to provide income to the extent feasible short of sale of the property. The property managed by Washington State University at Rainier School is exempt from producing income for the trust.

---

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately, except for section 5, relating to interest earnings which takes effect July 1, 2005.

**Testimony For:** The new trust will provide additional resources to help developmentally disabled persons in our communities. There are about 9,000 developmentally disabled persons in communities and about 1,100 in state residential habilitation centers. Additional resources are needed to help this under-served group. It is important to provide more resources to support developmentally disabled persons and their families, and to make jobs and other opportunities available to developmentally disabled persons in communities.

**Testimony Against:** This creates another dedicated fund which is not good policy - moneys should go into the general fund and compete with all programs for limited resources. The land at Rainier School managed by Washington State University should be excluded.

**Testimony with concerns:** The date by which the excess property should be sold is too soon; more time will be needed to effectively sell the property.

**Persons Testifying:** (In support) Harry Tachell, Thurston/Mason Community Action Team and Self Advocates of Washington; Harry Tachell II; George Adams; Diana Stadden, Autism Society of Washington; Mike Raymond, People First; Sue Elliot, Arc of Washington State; Ed Holen, Developmentally Disabled Council; Phil Jordan, Washington Protection and Advocacy System; Cherie Tessier; and Robert M. Wardell.

(In support with concerns) John Reynolds, Department of Social and Health Services.

(Opposed) Larry Ganders, Washington State University; Julie Wasson, Residential Habilitation Center Coalition; and Dave Wood, People for Fair Taxes.

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