

SENATE BILL REPORT

SB 5827

As Reported By Senate Committee On:
Ways & Means, March 1, 2005

Title: An act relating to capital projects lists for local nonprofit art, cultural, heritage, youth, and social service organizations.

Brief Description: Concerning capital projects lists for certain nonprofit organizations.

Sponsors: Senators Schoesler, Fraser and Kohl-Welles.

Brief History:

Committee Activity: Ways & Means: 2/28/05, 3/1/05 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Fraser, Vice Chair; Zarelli, Ranking Minority Member; Brandland, Hewitt, Parlette, Pflug, Pridemore, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Thibaudeau.

Staff: Kirstan Arestad (786-7708)

Background: The capital budget provides funding for a variety of state and non-state functions, which have allowed agencies, including social service agencies to leverage state funds to secure private and in-kind contributions. Three program areas receive funding through the capital budget pursuant to processes established in statute.

Community Services Facilities Program. In the 1997 legislative session, a process was established in statute for soliciting and ranking applications for nonresidential capital projects for social service organizations. The Department of Community Trade and Economic Development (CTED) submits a prioritized list of recommended projects to the Legislature in its biennial capital budget request, beginning with the 2001-2003 biennium. CTED may also provide an additional alternate project list. The primary list may not exceed \$4 million. The alternate list may not exceed \$500,000. This statute sunsets on June 30, 2007.

In 1999, the Legislature directed CTED to establish a competitive process to solicit proposals for and prioritize projects whose primary objective is to assist nonprofit youth organizations in acquiring, constructing, or rehabilitating facilities used for the delivery of nonresidential services, excluding outdoor athletic fields. Projects must have a major recreational component, and have either an educational or social service component. CTED is required to submit a prioritized list of recommended projects to the Legislature by November 1, following the effective date of the biennial appropriation. The total amount of recommended state funding for projects on a biennial project list may not exceed \$2 million. Grant assistance may not exceed twenty-five percent of the total cost of the project. An additional alternate project

list which may not exceed \$500,000 may also be submitted. The statute pertaining to this program expires on June 30, 2007.

Building for the Arts. A process for soliciting and ranking applications for performing arts, art museums, and cultural facility capital projects was established in 1999. CTED is required to conduct a statewide solicitation of project applications from nonprofit organizations. Beginning with the 2001-03 biennium, CTED began submitting a prioritized list of recommended projects to the Legislature in CTED's biennial capital budget request. State assistance is limited to up to 20 percent of the total project cost. The total amount of recommended state funding for projects on a biennial list must not exceed \$4 million. An alternate project list may also be provided, but may not exceed \$500,000. This process expires on June 30, 2007.

Heritage Program. In 1995, a competitive state grant program was established in statute for Washington Heritage Capital projects. The Washington State Historical Society (WSHS) is required to submit a prioritized list of heritage projects to the Legislature by September 1 of each even-numbered year, as a guide for appropriating funds. In the 1997-1999 capital budget, the first appropriation was made under this program totaling \$4.1 million for 26 heritage projects from the prioritized list submitted by the WSHS. State funding must not exceed thirty-three percent of the total cost of the project. This grant program expires on June 30, 2007.

Summary of Bill: The following changes have been made to the Arts, Heritage and Community Service grant programs: (1) Additional alternate project lists are no longer authorized; (2) The program expiration date has been extended for six years until June 30, 2013; and (3) The total amount of recommended state funding for projects on a biennial project list has been increased as follows:

- Community Services Facilities Program, Social Service Organizations project lists must not exceed \$8 million.
- Community Services Facilities Program, Nonprofit Youth Organizations project lists must not exceed \$4 million.
- Building for the Arts project lists must not exceed \$8 million.
- Heritage Program project lists may not exceed \$8 million.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This program works extremely well and agrees with the expansion of the list. The process created by this legislation is the most transparent to the public. Program available to big and small, rural and urban, East and West. Increasing the amount will minimize projects going outside the Building for the Arts process, allowing for better coordination.

Testimony Against: None.

Who Testified: PRO: Peter Donnelly, Arts Fund; Seth Dawson, WA State Assoc. For Community Action; Laurie Lippold, Children's Home Society of WA.