

# SENATE BILL REPORT

## HB 1737

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As of March 13, 2023

**Title:** An act relating to enacting the reconciliation act.

**Brief Description:** Enacting the reconciliation act.

**Sponsors:** Representatives Morgan, Street, Kretz, Waters, Reeves, Reed, Entenman, Donaghy, Cheney, Walsh, Wylie, Stearns, Orwall, Taylor, Chapman, Berg, Graham, Gregerson, Ormsby, Ramel, Santos, Caldier, Pollet, Macri and Fosse.

**Brief History:** Passed House: 2/28/23, 64-33.

**Committee Activity:** Ways & Means: 3/13/23.

### Brief Summary of Bill

- Changes the name of the Community Reinvestment Account to the Community Reconciliation Account.
- Expands allowed expenditures from the Community Reconciliation Account to include agricultural and economic support and services available to historically marginalized communities, and programs and services that use an evidence-based community assessment model aimed at addressing root causes of violence in communities.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Trevor Press (786-7446)

**Background:** The Community Reinvestment Account (Account) is an appropriated account that was created by the 2022 Supplemental Operating Budget. Expenditures from the Account may be used by the Department of Commerce (Commerce) for (1) economic development programs, including addressing wealth disparities through asset building and providing access to financial resources such as small business grants, loans, and other

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training and support activities, (2) civil and criminal legal assistance to provide postconviction relief and case assistance, (3) community-based violence intervention and prevention services, and (4) reentry services to facilitate successful transitions for persons formerly incarcerated in an adult correctional facility or juvenile residential facility in Washington. Commerce must collaborate with the Governor's Office of Indian Affairs and "by and for community organizations," as defined by Commerce and the Office of Equity, in distributing grants funded out of the Account.

**Summary of Bill:** Beginning July 1, 2024, the Community Reinvestment Account is renamed the Community Reconciliation Account. In addition to existing allowable uses, Commerce may use expenditures from the Account for agricultural and economic support and services available to historically marginalized communities. Commerce may also use expenditures from the Account for programs or services that use an evidence-based community assessment model aimed at addressing root causes of violence in communities, including programs or services with a goal of increasing high school graduation rates; building a culture of empathy, equity, and connection; achieving positive health outcomes or enhancing resiliency; or creating a supportive community environment.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill takes effect on July 1, 2024.

**Staff Summary of Public Testimony:** CON: This bill goes against the community that has been working to determine what to do with the community reinvestment account. Many hours have been put into developing a plan and the community that has been a part of planning how funds are to be used have not been consulted on this bill. The changes made in this bill were not brought back to the community that have been working to develop a program. Commerce was supposed to work with the office of equity and community organizations to determine oversight and the distribution of funds. The plan is being developed as we speak. There is already enormous need in the current buckets that are the existing allowable uses of the fund. Adding additional buckets without further oversight of the community goes against what the Legislature talked about in terms of the community outreach and engagement process. This legislation works to the disadvantage of African Americans and other populations that worked diligently last session to have funding for social justice reinvestment. This bill confuses the issue and purpose and goes contrary to the process outlined in the original legislation.

**Persons Testifying:** CON: Jim Buchanan, The Community; Darrell Powell, NAACP - Seattle King County; Dawn Mason, King County Equity Now.

**Persons Signed In To Testify But Not Testifying:** No one.