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**SUBSTITUTE HOUSE BILL 2471**

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**State of Washington**

**52nd Legislature**

**1992 Regular Session**

**By** House Committee on Human Services (originally sponsored by Representatives Rasmussen, Leonard, Winsley, Heavey, Moyer, Ballard, Wang, Beck, Belcher, Brumsickle, Fraser, Riley, Ebersole, Roland, Anderson, G. Cole, Prentice, Wood, Ludwig, R. Johnson, Cantwell, Spanel, Valle, Forner, Brekke, Ferguson, Hine, Morris, Ogden, May, Orr, Braddock, Appelwick, Prince, G. Fisher, Sheldon, Basich, R. Fisher, Day, Broback, O'Brien, J. Kohl, Morton, Franklin, Dorn, Kremen, Rayburn, Bowman, Hargrove, Chandler, Pruitt, Dellwo, Paris, Brough, R. King, Jones, Mitchell, Sprenkle and H. Myers)

Read first time 01/22/92.

1 AN ACT Relating to prevention services for at-risk children and  
2 their families; adding new sections to chapter 43.63A RCW; adding a new  
3 section to chapter 82.02 RCW; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** This act may be known and cited as the  
6 children's investment trust act.

7 NEW SECTION. **Sec. 2.** The legislature finds that:

8 (1) The failure of a significant number of our children to develop  
9 to their full potential threatens Washington state's future  
10 productivity and competitiveness;

11 (2) The failure of children to thrive and develop leads to  
12 avoidable long-term costs to society in terms of illness, welfare,

1 teenage pregnancies, school drop-outs, drug and alcohol addiction,  
2 child abuse, and crime;

3 (3) Investments in preventive services for children and their  
4 families are highly effective in alleviating such social costs if  
5 children are reached early;

6 (4) While much is spent on children through a variety of programs,  
7 the focus has most often been on crisis response. While support for  
8 children in crisis is essential, a more long-range view dictates a  
9 focus on preventive services. Only through early intervention and  
10 prevention can we stem the flow of children needing crisis help and  
11 treatment. Our overloaded crisis systems will remain overloaded unless  
12 we move toward prevention strategies;

13 (5) Much is spent on treatment approaches identifying a specific  
14 problem and mandating a specific service in response. While  
15 identifying single problems and specific interventions are important,  
16 research suggests that the most effective early interventions for  
17 children are those which are more comprehensive in approach, with the  
18 flexibility to respond to a host of potential barriers or dysfunctions;  
19 and

20 (6) Together, the lack of comprehensiveness in approach and the  
21 crisis nature of current assistance create a system widely viewed as  
22 fragmented, short-sighted, and ineffective. With a few exceptions, we  
23 have a system designed not to help children thrive and develop, but to  
24 help them survive after being hurt.

25 The legislature is aware that model programs such as the federal  
26 head start program and our own early childhood education and assistance  
27 program incorporate many of the positive concepts suggested herein; the  
28 legislature is anxious to incorporate the positive aspects of these  
29 more comprehensive models into currently existing single-service

1 programs at the community level, making them more comprehensive, more  
2 culturally sensitive, and more prevention-oriented in nature.

3 Therefore, through this act, it is the intent of the legislature to  
4 develop a dedicated trust fund supported by general appropriations, as  
5 well as gifts, grants, and earmarked revenue, which will: Provide  
6 start-up funding for pilot programs, based on local need; compliment  
7 existing community programs; help to develop comprehensive, culturally  
8 sensitive, prevention-oriented programs for at-risk children and their  
9 families; foster self-sufficiency among families; and encourage and  
10 support local prevention initiatives that develop creative community  
11 partnerships.

12 NEW SECTION. **Sec. 3.** Unless the context clearly requires  
13 otherwise, the definitions in this section apply throughout sections 4  
14 through 6 of this act.

15 (1) "Comprehensive service" means a service that responds to the  
16 needs of families or children, or both, as they are identified,  
17 regardless of the specific service being provided when new issues  
18 arise.

19 (2) "Magnet programs" are those existing programs which currently  
20 attract families to human service providers, such as housing programs,  
21 energy assistance, or health care. Magnet services can be leveraged  
22 into a starting point to identify and respond to other needs of the  
23 child and family, often by using existing resources in creating  
24 partnerships.

25 (3) "Model program services" means services targeted to young  
26 children, zero to eight years of age, and that: Are responsive to the  
27 family unit as a whole; are comprehensive and culturally sensitive in  
28 nature; generally occur before the young child is in crisis due to  
29 abuse or neglect; incorporate mutually developed family goals; and

1 include coordinated efforts from other community resources. "Model  
2 program services" may incorporate new and innovative community  
3 partnerships into the service design, as between a school district and  
4 a private nonprofit agency, or between a private nonprofit agency and  
5 the sheriff's department, for example.

6 (4) "Prevention services" means program interventions that focus on  
7 young children, generally zero to eight years of age, prior to those  
8 children being in need of crisis intervention, and which address  
9 dysfunctions related to both child and family.

10 (5) "Single service" means those programs such as energy assistance  
11 or landlord-tenant counseling, as examples, that allow funds to be used  
12 only for that specific service, even if, while providing that service,  
13 the service provider identifies other problems in the family that need  
14 attention.

15 NEW SECTION. **Sec. 4.** The purposes of chapter . . . ., Laws of  
16 1992 (this act) are to:

17 (1) Respond to a widely felt need to more aggressively fund  
18 prevention services to and for young at-risk children and their  
19 families, specifically tailored to the unique problems existing at the  
20 local community level;

21 (2) Provide a source of potential funding to leverage and improve  
22 upon the integration and coordination of existing services, and to  
23 develop new and innovative partnerships that focus on prevention,  
24 leading toward self-sufficiency; and

25 (3) Assist existing programs to take a more comprehensive,  
26 culturally sensitive service approach by providing a source of funding  
27 that encourages specific local response to the wide array of problems  
28 that may be impacting at-risk children and their families.

1 Overall, the legislature desires to actively support programs for  
2 young at-risk children that: Focus on local responses which are  
3 culturally sensitive; provide comprehensive help rather than a single  
4 service; result in the development of a positive working relationship  
5 between the provider and the family based on mutual responsibility;  
6 empower the family to become more self-sufficient; reach young children  
7 and their families before they are in major crisis; and rely on  
8 existing community-based services as magnet programs that already  
9 attract children and families in need.

10 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.02 RCW  
11 to read as follows:

12 (1) For purposes of this section:

13 (a) "Maintain a place of business in this state" includes:

14 (i) Maintaining, occupying, or using, permanently or temporarily,  
15 directly or indirectly, or through a subsidiary or agent, by whatever  
16 name called, an office, place of distribution, sales or sample room or  
17 place, warehouse or storage place, or other place of business; or

18 (ii) Soliciting sales or taking orders by sales agents or  
19 travelling representatives.

20 (b) "Engage in business activities within this state" includes:

21 (i) Purposefully or systematically exploiting the market provided  
22 by this state by any media-assisted, media-facilitated, or media-  
23 solicited means including, but not limited to, direct mail advertising,  
24 unsolicited distribution of catalogues, computer-assisted shopping,  
25 telephone, television, radio, or other electronic media, or magazine or  
26 newspaper advertisements or other media; or

27 (ii) Being owned or controlled by the same interests that own or  
28 control a seller engaged in business in the same or similar line of  
29 business in this state; or

1 (iii) Maintaining or having franchisee or licensee operating under  
2 the seller's trade name in this state if the franchisee or licensee is  
3 required to collect use tax.

4 (c) "Purposefully or systematically exploiting the market provided  
5 by this state" is presumed to take place if the gross proceeds of sales  
6 of tangible personal property delivered from outside this state to  
7 destinations in this state exceed five hundred thousand dollars during  
8 a period of twelve consecutive months.

9 (2) Within five days after the end of each calendar quarter, the  
10 department of revenue shall notify the state treasurer of the  
11 percentage of state sales and use tax revenues collected in the  
12 immediately preceding calendar quarter from out-of-state taxpayers who  
13 do not maintain a place of business in this state but who engage in  
14 business activities within this state by purposefully and  
15 systematically exploiting the market provided by this state through  
16 media-assisted, media-facilitated, or media-solicited means.

17 NEW SECTION. **Sec. 6.** (1) The children's investment trust  
18 account is created in the state treasury. Within six days after the  
19 end of each calendar quarter, the treasurer shall transfer the amount  
20 of sales and use tax revenues under section 5(2) of this act to the  
21 children's investment trust account. Moneys in the account may be  
22 spent only after appropriation. The account is subject to allotment  
23 procedures under chapter 43.88 RCW. Moneys from the account shall be  
24 used by the department of community development as follows to carry out  
25 the purposes of section 4 of this act:

26 (a) Forty-eight and one-half percent for grants under the community  
27 services block grant program;

28 (b) Forty-eight and one-half percent for competitive grants; and

1 (c) Three percent for administration of the fund by the department  
2 of community development.

3 (2) The department of community development shall seek grant  
4 proposals that incorporate model program services and carry out the  
5 purposes enumerated in section 4 of this act. To facilitate continuity  
6 of program, proposals should be for three years of continuous service.  
7 To facilitate widespread distribution of the funds and services, no  
8 grant shall exceed seven hundred fifty thousand dollars for the three-  
9 year period. In addition, no competitively grant-funded agency may  
10 submit a second competitive proposal until the initial program is  
11 within one year of expiration. Funded programs may not be  
12 automatically renewed, but may compete for ongoing funding on a three-  
13 year cycle.

14 (3) Entities eligible for competitive grant funds include any  
15 nonprofit institution showing the ability to extend existing services  
16 into more effective prevention-oriented programs for at-risk children  
17 and their families to carry out the purpose enumerated in section 4 of  
18 this act.

19 (4) The department of community development shall, in order to  
20 carry out the purposes enumerated in section 4 of this act, adopt rules  
21 governing the development of a competitive request for proposal  
22 process; fiscal accounting; annual site visits to funded programs; the  
23 review and analysis of annual program reports provided by funded  
24 agencies; and development of reports provided to the legislature in  
25 partnership with local program providers.

26 (5) The department of community development shall designate a  
27 reasonable amount of each contractor's funding under chapter ..., Laws  
28 of 1992 (this act) for third party independent evaluation. Evaluation  
29 design shall be incorporated into each project's application and shall

1 include both process and outcome components of each individual  
2 contractor's program.

3 NEW SECTION. **Sec. 7.** Sections 1 through 4 and 6 of this act  
4 are each added to chapter 43.63A RCW.

5 NEW SECTION. **Sec. 8.** If any provision of this act or its  
6 application to any person or circumstance is held invalid, the  
7 remainder of the act or the application of the provision to other  
8 persons or circumstances is not affected.

9 NEW SECTION. **Sec. 9.** This act shall take effect July 1, 1992.