

SENATE BILL REPORT

ESHB 2082

As Reported by Senate Committee On:
Ways & Means, May 23, 2011

Title: An act relating to reforming the disability lifeline program through essential needs and housing support for persons not likely to meet federal supplemental security income disability standards, continued aid and support for other disability lifeline recipients, and modification of the disability lifeline medical care services needed to receive federal funding.

Brief Description: Concerning the long-term disability assistance program and the essential needs and housing support program.

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Darneille, Goodman, Dickerson, Roberts, Pettigrew, Appleton, Ryu, Fitzgibbon, Finn, Orwall, Ormsby, Ladenburg, Kenney and Moscoso).

Brief History: Passed House: 5/13/11, 53-36.

Committee Activity: Ways & Means: 5/18/11, 5/23/11 [DPA, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Murray, Chair; Kilmer, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Parlette, Ranking Minority Member Capital; Brown, Conway, Fraser, Hatfield, Honeyford, Kastama, Kohl-Welles, Pflug, Pridemore, Regala, Rockefeller and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senator Keiser.

Staff: Michael Bezanson (786-7449)

Background: The Disability Lifeline (DL) Program is a public assistance program for low income individuals. Recipients are eligible for a cash grant, food assistance, and medical care, including mental health care. Individuals who are eligible for DL are not eligible for other federal assistance other than food assistance, and to qualify for DL they must be incapacitated from gainful employment because of a physical or mental infirmity that will likely continue for at least 90 days. If the infirmity is primarily due to a drug or alcohol addiction, a person is not eligible for DL.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

In 2010 the Legislature passed Engrossed Second Substitute House Bill (E2SHB) 2782. Under that act, a time limit of 24 months in a 5-year period was established for DL benefits. This time limit was retroactive, and applied to persons already receiving benefits. Since the passage of E2SHB 2782, the Department of Social and Health Services (DSHS) has been restrained by court order from implementing the time limit provisions and the cash assistance grant has been reduced. The maximum monthly grant amount for a client, as of April 2011, is \$197. An individual is not eligible to receive DL benefits if the individual refuses without good cause to participate in needed treatment or other program services. The DL-Unemployable Program makes up the largest category of DL recipients.

Persons eligible for DL and who have been determined to be likely eligible for federal SSI benefits are eligible for the DL Expedited Program.

Summary of Bill (Recommended Amendments): The DL Program is terminated and three new programs are established: the Aged, Blind, and Disabled Program, the Pregnant Women Assistance Program, and the Essential Needs and Housing Support Program.

The Aged, Blind, and Disabled (ABD) Assistance Program. Effective November 1, 2011, the ABD Assistance Program is established. To be eligible to receive benefits under the program, a person has to meet income, resource, and incapacity standards, including having one or more medical or mental health impairments that are likely to meet federal SSI disability standards. A person is ineligible for the Long-term Disability Assistance Program if there has been a final determination that the person is not eligible for federal SSI.

The Pregnant Women Assistance Program. Effective November 1, 2011, the Pregnant Women Assistance Program is established for persons who meet TANF income and resource standards but are ineligible for the TANF Program for reasons other than failure to cooperate. Persons eligible for these programs are eligible to receive assistance in the form of a cash grant.

Essential Needs and Housing Support Program. Effective November 1, 2011, the Essential Needs and Housing Support Program (ENHS) is created. Individuals that are eligible for medical care services, who are not recipients of alcohol and addiction services, or ABD assistance must be referred to the ENHS. No cash grant is awarded under the ENHS and applicants are not entitled to receive support from the program.

DSHS must review the cases of individuals, who are not recipients of alcohol and addiction treatment services or ABD assistance and have received medical care services for 12 consecutive months, and annually after the first review, to determine whether they are likely to be eligible for the ABD Assistance Program.

Grants to Local Governments and Community-Based Organizations for the ENHS. The Department of Commerce (COM) is required to distribute funds for the ENHS. The first distribution of funds must be completed by September 1, 2011. Funding is to be provided to the designated essential needs support and housing support entities. The Department of Commerce may not distribute funds to the local housing support or essential needs entities until it has approved an expenditure plan submitted by these entities. COM, for the sole

purpose of the first distribution of funds, can distribute partial funds based upon its approval of a preliminary expenditure plan. Commerce cannot distribute the remaining funds until it approves a final expenditure plan. A contingency fund for the 11-13 biennium is created to be used solely for those clients who have written proof that they are at imminent risk of losing their housing or that their utility etc. services will be discontinued.

In each county, COM must designate the essential needs support entity and housing support entity, and the entities must begin providing support on November 1, 2011. Each designated entity must be a local government or community-based organization, and may administer the funding for essential needs support, housing support, or both.

Appropriations for the essential needs and housing support program established under this section must be based on forecasted program caseloads. To the extent that actual caseloads are less than forecasted, the proportional amount of the appropriation will lapse and remain unexpended. Savings resulting from program caseload attrition from forecasted levels must not result in increased per-client expenditures.

The distribution to the designated entities within a county must be proportional to the county's share of the estimated caseload. The funds must be distributed in grants. Administrative expenditures are capped for COM at no more than 5 percent and for the essential needs and housing support entities at no more than percent.

In awarding housing support, the designated housing support entity must provide housing support to clients who are homeless as defined in RCW 43.185C.010. The essential needs and housing support entities must partner with other public and private organizations to maximize the impact of funds distributed and should attempt to leverage other sources of public and private funds to serve clients.

COM, in collaboration with DSHS, must develop a mechanism to allow COM and essential needs and housing support entities to verify a person's eligibility and continued eligibility for services. COM must require Housing Support entities to enter data into the Homeless Client Management Information System, and in collaboration with DSHS, report annually to the Legislature. The first report regarding recipients served and referred is due December 31, 2011, and must describe the actions taken to achieve the objectives of the act and efforts made to partner with other entities to leverage public and private funds.

COM must review data submitted by the essential needs and housing support entities and make recommendations for program improvements and administrative efficiencies. COM may change designated entities if performance or other aspects of the ENHS do not meet the requirements of COM.

Civil Liability. The COM, counties, and essential needs and housing support entities are not civilly or criminally liable and may not be subject to any cause of action regarding decisions related to the type of housing arrangements supported with funds under this act as a result of good faith actions. Rights to enforce statutory or contractual duties and obligations remain.

Medical Care Services. Persons are eligible for medical care services if they are incapacitated from gainful employment for a minimum of 90 days. To be eligible, a person

must have countable income below \$339. Additionally, persons who qualify for the ABD Assistance Program or the Alcohol and Drug Addition Services are eligible for the Medical Care Services Program.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Amendments): Completely eliminates the Disability Lifeline Assistance Program and deletes all references to that program in the statute. Creates instead three assistance programs: ABD Assistance Program (the Long-term Disability Assistance Program that was in the version of the bill passed by the House is now included in the ABD Program); Pregnant Women Assistance Program; and the ENHS Program. The ABD and PWAP recipients receive cash assistance; persons referred to the ENHS Program receive a referral for essential needs and housing support. The Department of Commerce may not distribute funds to the local housing support or essential needs entities until it has approved an expenditure plan submitted by these entities. Since the date of the first distribution of funds is September 1, 2011, Commerce, for the sole purpose of the first distribution of funds, can distribute partial funds based upon its approval of a preliminary expenditure plan. Commerce cannot distribute the remaining funds until it approves a final expenditure plan. Creates a contingency fund for the 11-13 biennium to be used solely for those clients who have written proof that they are at imminent risk of losing their housing or that their utility etc. services will be discontinued. The designated housing support entity must provide housing support only to those persons who are homeless as that term is defined in RCW 43.185C.010. Administrative expenditures are capped for Commerce at no more than 5 percent and for the essential needs and housing support entities at no more than 7 percent.

Appropriation: None.

Fiscal Note: Partial fiscal note available on the original bill.

Committee/Commission/Task Force Created: None.

Effective Date: Except sections 6 and 8, all sections take effect immediately. Section 6 takes effect July 22, 2011. Section 8 takes effect November 1, 2011.

Staff Summary of Public Testimony on Engrossed Substitute Bill: PRO: I am an unlikely candidate to terminate benefits for 42,000 people. We tried to reform Disability Lifeline in 2010 but the implementation was stopped in court. The bill before you is a reform bill. The bill terminates the large DL Program and creates four new programs. The purpose of this was to address legal concerns and not be held in court again. The DL Program provides services to poor and disabled persons. We have tried to address the cash grant elements of the program. The program is now a care-not-cash program. We provide mental health services, essential needs, housing and other benefits. The program uses existing resources in the Department of Commerce. We have worked with stakeholders and look forward to working with you.

CON: We feel that the Legislature should pass a bill that has both a housing component and cash. It is impossible to meet basic needs without even a small amount of cash. Without cash, persons will panhandle more and possibly create crime such as theft. This will increase crime, jail time, and costs that are higher than providing cash benefits.

OTHER: This bill is a work in progress. We are looking to provide services to the DL-U population in the most direct and efficient way possible. Cash is the most efficient way to deliver basic needs services but housing is important to keep people stable. Another side of DL is the impact on victims of domestic violence. Cash benefits allow them to leave their situation and get stabilized. It also helps move out of shelters faster.

Persons Testifying: PRO: Representative Darneille, prime sponsor.

CON: Rick Friedhoff, Leslie Shapiro, Compass Housing Alliance.

OTHER: Robin Zukoski, Columbia Legal Services; Ele Menzies, SEIU 1199; Pamela Crone, WA State Coalition Against Domestic Violence; Carol Wood, United Way of King County; Zach Carstensen, Jewish Federation of Greater Seattle/ Jewish Family Services.