
**Human Services, Youth, & Early
Learning Committee**

HB 1045

Brief Description: Creating the evergreen basic income pilot program.

Sponsors: Representatives Berry, Peterson, Ryu, Simmons, Goodman, Bateman, Reed, Ramel, Pollet, Street, Senn, Doglio, Macri, Mena, Wylie, Gregerson and Ormsby.

Brief Summary of Bill

- Establishes the Evergreen Basic Income Pilot Program (pilot program), providing 24 monthly payments to up to 7,500 qualifying participants in an amount equal to 100 percent of the fair market rent for a two-bedroom dwelling unit in the county in which a participant resides.
- Creates a board of directors to administer, coordinate, and establish policies for the pilot program.
- Designates that persons receiving funds through the pilot program are eligible for certain assistance programs, and contains provisions to minimize the impact of receipt of basic income funds on income calculation for other assistance programs and determination of child support obligations.

Hearing Date: 1/11/23

Staff: Omeara Harrington (786-7136).

Background:

Basic Income Programs.

Basic income programs are programs that provide unrestricted and unconditional cash benefits to

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program participants. Basic income programs may be in the form of universal basic income or guaranteed basic income. Universal basic income programs provide a benefit to all persons, regardless of means or other eligibility measures. Guaranteed basic income programs provide a benefit to persons meeting certain income or other eligibility criteria.

In the 2021-23 Operating Budget, the Legislature directed the Department of Social and Health Services (DSHS) to conduct a study, jointly with the Poverty Reduction Work Group, on the feasibility of implementing a basic income pilot program. The DSHS was directed to include in its study: research of other basic income programs; recommendations for a pilot in Washington state; a cost-benefit analysis; operational costs; and an implementation plan. The DSHS completed its study and made recommendations for a statewide 24-month guaranteed basic income pilot targeted at persons meeting certain income thresholds and other eligibility criteria.

Fair Market Rents.

The United States Department of Housing and Urban Development annually establishes Fair Market Rents (FMR) using a combination of surveys, including United States Census Data. The FMRs are established at the fortieth percentile of gross monthly rents in a jurisdiction. In Washington, the FMRs for a two-bedroom home currently range from \$892 to \$2,199.

Federal Poverty Level.

The United States Department of Health and Human Services establish poverty guidelines that are used to determine financial eligibility for certain programs. Updated guidelines are available annually in mid-January. In 2022 200 percent of the federal poverty level (FPL) for a single person was \$27,180 annually. For a family of four, it was \$55,500 annually.

Calculation of Income for Economic Assistance Program Eligibility and Other Purposes.

A wide range of economic assistance programs and other programs use income as a measure of program eligibility. For instance, there are household income limits applicable to cash assistance programs, food assistance programs, childcare subsidies, disability benefits, and medical and legal assistance programs. One example is the Essential Needs and Housing Support Program, which provides time-limited rent assistance and services connected to housing stability, and essential needs items, such as personal hygiene and transportation. With some exceptions, the program is only available to those who have monthly countable income at or below \$428 for a married couple or \$339 for an individual, and meet other criteria.

Additionally, when a person qualifies as indigent based on income or receipt of certain types of public assistance, he or she is eligible for a court appointed defense attorney at government expense if threatened with a loss of liberty or parental rights. In the context of dissolution or parentage proceedings, all income and resources of each parent's household must be considered in determining each parent's child support obligation, with certain exceptions.

Summary of Bill:

The Evergreen Basic Income Pilot Program.

The Evergreen Basic Income Pilot Program (pilot program) is established within the Department of Social and Health Services (DSHS). Beginning July 1, 2024, the DSHS must provide 24 monthly payments to up to 7,500 qualifying participants. Payments must be in an amount equal to 100 percent of the fair market rent for a two-bedroom dwelling unit in the county in which the participant resides.

A board of directors comprised of DSHS staff, tribal representatives, and community organizations is established to administer, coordinate, and determine policies for the pilot program. The Secretary of the DSHS must appoint 17 members to serve on the board, including:

- two representatives of the DSHS, including a tribal liaison;
- at least one representative of a federally recognized tribe from each of the four regions established by the DSHS's Office of Indian policy;
- one representative of a federally recognized tribe whose reservation is largely urban; and
- 10 representatives from community-based organizations.

The board of directors must select a chair from among its members.

Eligibility.

To be eligible to participate, a person must: be at least 18 years of age or an emancipated minor; be a resident of Washington; have reported gross income that does not exceed 200 percent of the FPL; and must also be:

- currently pregnant;
- the parent of at least one child under age 5;
- experiencing homelessness;
- an immigrant, refugee, or asylee;
- exiting from the foster care system, the juvenile justice system, or the criminal justice system;
- exiting a relationship or living situation due to domestic violence;
- a person with a disability; or
- a person with a behavioral health disorder.

The board of directors may modify eligibility requirements to expand eligibility, provide more equitable participant representation in the pilot program, or respond to emergent needs or trends.

Application and Selection.

The DSHS must provide funding to tribal entities and community based organizations to pay costs associated with program outreach, application assistance, and other related activities that support participation by people of color. The application process must allow for self-attestation of income and other conditions, and must be available in multiple languages and formats.

The DSHS must contract with a third party vendor to process and approve applications. Participants must be distributed among nine identified regions, with the maximum number of eligible participants per region determined according to the share of people living in poverty in

each region. If the number of qualified applicants exceeds 7,500, participants must be randomly selected. Qualified applicants who are not selected may participate in a control group for data collection purposes, for which they will receive compensation of \$25 per hour up to a maximum of \$250.

Data Collection and Reporting.

The DSHS may collect data from participants on a voluntary basis and offer incentives to encourage participants to complete surveys and evaluations. The DSHS may not collect data or request information or proof regarding a person's immigration status, citizenship status, or place of birth; however, an applicant qualifying based on immigration status may be required to indicate on the application that the applicant meets the criteria.

By December 1, 2026, the DSHS must submit a report to the Legislature and the Governor that evaluates the pilot program and makes recommendations for an ongoing basic income program. The evaluation must:

- include a cost-benefit analysis;
- align with research justice principles and recognize that all forms of knowledge, including cultural, spiritual, experiential, and mainstream, have equal value;
- evaluate the well-being change for participants in the pilot program compared to their peers, including economic well-being, power, autonomy, sense of belonging, and mobility; and
- be developed with input from community partners.

Effect on Benefits and Obligations Through Other Programs.

The pilot program must offer participants ongoing benefits counseling, including an analysis of whether and how any other public benefits may be affected by their participation. The pilot program must also provide reenrollment plans for participants to immediately reenroll in any benefits lost due to participation in the pilot program, and must reimburse any participant for the loss of public benefits due to their participation.

State agencies must take action to minimize, to the greatest extent possible, the impact of cash assistance provided through the pilot program on public assistance eligibility and benefit amounts. Agencies must comply with this requirement by December 1, 2024, and provide a summary of their analysis and actions to the DSHS.

Provisions governing assistance programs are modified to exempt cash assistance provided under the pilot program or any other guaranteed basic income program from being considered as income for eligibility purposes. Funds received through the pilot program are not included in the calculation of gross income for purposes of determining child support obligations. A person receiving cash assistance through the pilot program is eligible for the Essential Needs and Housing Support Program, and is considered indigent for purposes of assessing eligibility for indigent defense services.

Appropriation: None.

Fiscal Note: Requested on January 5, 2023.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.