

SENATE BILL REPORT

ESHB 1260

As Reported by Senate Committee On:
Human Services, March 16, 2023
Ways & Means, April 4, 2023

Title: An act relating to accelerating stability for people with a work-limiting disability or incapacity.

Brief Description: Accelerating stability for people with a work-limiting disability or incapacity.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Alvarado, Leavitt, Taylor, Senn, Farivar, Simmons, Davis, Fitzgibbon, Callan, Reeves, Reed, Fey, Gregerson, Cortes, Macri, Fosse, Doglio and Pollet; by request of Department of Social and Health Services).

Brief History: Passed House: 3/1/23, 92-4.

Committee Activity: Human Services: 3/09/23, 3/16/23 [DPA-WM, w/oRec].
Ways & Means: 3/23/23, 4/04/23 [DPA (HS), DNP, w/oRec].

Brief Summary of Amended Bill

- Eliminates the requirement that recipients of the Aged, Blind and Disabled Cash Assistance Program (ABD) repay the ABD benefits received when that person subsequently receives supplemental security income (SSI) payments for the same period, effective October 1, 2025.
- Clarifies that prior to October 1, 2025, that any ABD benefits received during the months SSI payments are received for the same period are a debt of the state and must be repaid.
- Places income eligibility standards for the Housing and Essential Needs (HEN) and ABD programs within rule, rather than statute, and modifies eligibility criteria for the ABD and Pregnant Women Assistance (PWA) programs to require that a person is ineligible for specific programs,

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rather than most federal assistance programs in general.

- Expands the list of good cause reasons for failing to participate in substance use disorder treatment as a condition of eligibility for ABD, PWA, or HEN program benefits.
- Provides that the Department of Social and Health Services is to share client data for individuals eligible for HEN with the Department of Commerce and designated HEN support entities as required by law.

SENATE COMMITTEE ON HUMAN SERVICES

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Wilson, C., Chair; Kauffman, Vice Chair; Frame and Nguyen.

Minority Report: That it be referred without recommendation.
Signed by Senators Boehnke, Ranking Member; Warnick and Wilson, J..

Staff: Alison Mendiola (786-7488)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Human Services.
Signed by Senators Rolfes, Chair; Robinson, Vice Chair, Operating & Revenue; Billig, Conway, Dhingra, Hasegawa, Hunt, Keiser, Nguyen, Pedersen, Saldaña, Van De Wege and Wellman.

Minority Report: Do not pass.
Signed by Senator Warnick, Assistant Ranking Member, Capital.

Minority Report: That it be referred without recommendation.
Signed by Senators Mullet, Vice Chair, Capital; Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Boehnke, Braun, Muzzall, Torres and Wagoner.

Staff: Joshua Hinman (786-7281)

Background: Department of Social and Health Services. The Department of Social and Health Services (DSHS) offers a number of programs including administering a number of public benefit programs including the Aged, Blind, or Disabled Cash Assistance Program (ABD), determining eligibility for a referral to the Housing and Essential Needs Referral Program (HEN), and administering the Pregnant Women Assistance Program (PWA), among other things.

Aged, Blind, or Disabled Cash Assistance Program. ABD is a state-funded program that provides cash assistance and a referral to HEN to eligible low-income individuals who are age 65 or older, blind, or determined likely to meet supplemental security income (SSI) disability criteria based on an impairment or impairments expected to last at least 12 consecutive months. ABD provides maximum monthly cash grants of \$417 for a single individual, or \$528 for a married couple. ABD recipients are also eligible for assistance applying for SSI benefits.

ABD is available to Washington residents who:

- are age 65 or older, blind, or have a long-term medical condition that is likely to meet federal disability criteria;
- are at least 18 years old, or, if under 18, a member of a married couple;
- meet income and resource requirements; and
- meet citizenship or alien status requirements.

Housing and Essential Needs Referral Program. HEN is a state-funded program that provides access to essential needs items, and potential rental assistance for low-income individuals who are unable to work for at least 90 days due to a physical or mental incapacity, or both. While DSHS determines eligibility for referral to HEN, actual eligibility for rental assistance and essential needs items is determined by the Department of Commerce (Commerce) through a network of homeless and homeless prevention service providers. HEN may include limited rent and utility assistance, move-in costs, personal health and hygiene items, cleaning supplies, and transportation assistance.

A HEN referral may be available for Washington residents who:

- are unable to work for at least 90 days due to a physical or mental incapacity;
- are at least 18 years old, or, if under 18, legally emancipated or a member of a married couple;
- meet income and resource requirements; and
- meet citizenship or alien status requirements.

A person may receive both HEN and ABD benefits concurrently while they have an application pending for federal SSI benefits. The monetary value of ABD benefits that is subsequently duplicated by the person's receipt of SSI for the same period, are considered a debt due to the state and must be repaid.

Pregnant Women Assistance Program. PWA provides cash assistance and a referral to HEN to pregnant individuals who are not eligible to receive federal aid assistance other than basic food benefits or medical assistance, and are in need based on current income and resource standards for the Temporary Assistance for Needy Families Program (TANF), but are ineligible for a reason other than a failure to cooperate with TANF rules.

Certain persons are not eligible for ABD, PWA, and HEN benefits, including those who

refuse or fail without good cause to participate in substance use disorder (SUD) treatment when assessed as needing treatment by a SUD professional. Good cause includes when a person's physical or mental condition prevents participation in SUD treatment, when needed outpatient treatment is not available in the person's county, or when needed inpatient treatment is not available in a reasonably accessible location.

Temporary Assistance for Needy Families, State Family Assistance, and Refugee Cash Assistance. TANF is a federally funded program that provides cash assistance to parents or caregivers with children and pregnant individuals to help meet foundational needs. Persons who are caring for a relative's child, are legal guardians, or who are acting in the place of a parent, are also able to apply for TANF benefits on behalf of these children. Benefits under TANF are limited to 60 months, with some exceptions, and are available to people who meet certain income and resource limits and meet citizenship criteria. The State Family Assistance Program (SFA) provides state-funded cash assistance for legal immigrant families, students ages 19 to 20, and pregnant individuals who are ineligible to receive TANF benefits. The Refugee Cash Assistance Program (RCA) provides up to 12 months of cash assistance for newly arrived single and married adults who are ineligible for TANF.

Federal Poverty Level. DSHS establish poverty guidelines that are used to determine financial eligibility for certain programs. Updated guidelines are available annually in mid-January. The federal poverty level for a single person is \$1,215 monthly, and for a two person household is \$1,643 monthly.

Summary of Amended Bill: Changes and clarifications are made to ABD, HEN, and PWA including:

- income eligibility standards for HEN and ABD are placed in rules, rather than statute and may not exceed 100 percent of the federal poverty level;
- effective October 1, 2025, ABD recipients who subsequently receive SSI benefits for the same period are not required to repay ABD benefits and prior to October 1, 2025, any months that an ABD recipient also receives SSI, the ABD benefits are considered a debt due to the state and must be repaid;
- the provisions outlining eligibility for ABD benefits are modified to reflect that a person is eligible for ABD benefits when they are ineligible for SSI, RCA, TANF, or SFA benefits and meet other criteria, rather than when they are ineligible for federal aid assistance other than basic food and medical assistance; and
- the provisions outlining eligibility for PWA are modified to reflect that a person is eligible when they are in need, but ineligible for SFA benefits, in addition to TANF benefits, and meet other criteria, rather than when they are ineligible for most federal assistance programs.

The list of good cause reasons for failing to participate in SUD treatment as a condition of ABD, PWA, or HEN program eligibility is expanded. Good cause exists when the person is a parent or other relative personally providing care for a minor child or an incapacitated individual living in the same home as the person, and childcare or day care that would be

needed for the person to participate in treatment is not available.

DSHS is to share client data for individuals eligible for HEN with Commerce and designated HEN support entities as required by law.

EFFECT OF HUMAN SERVICES COMMITTEE AMENDMENT(S):

- Effective October 1, 2025, a person's receipt of SSI received for the same period as ABD program assistance shall not be considered a debt due to the state and is not subject to recovery.
- Clarifies that the monetary value of ABD cash assistance paid prior to October 1, 2025, that is duplicated by the person's receipt of SSI for the same period shall be considered a debt due to the state and shall by operation of law be subject to recovery through all available legal remedies.
- DSHS shall share client data for individuals eligible for essential needs and housing support with Commerce and designated essential needs and housing support entities as required under RCW 43.185C.230.

Appropriation: The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

Fiscal Note: Available.

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

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

Staff Summary of Public Testimony on Engrossed Substitute House Bill (Human Services): *The committee recommended a different version of the bill than what was heard.*
PRO: We all deserve to have our basic needs met. So many Washingtonians are struggling, and this is especially true to the elderly and disabled who receive ABD while waiting to become eligible for SSI. People who access this program are well below the federal poverty level. We shouldn't be funding programs on the back of the most vulnerable people in our state. This bill promotes economic stability. Currently, the state recovers ABD benefits once a recipient becomes eligible for SSI and receives duplicate payments when this money is often used to pay down debts or to pay a rental deposit. It is more expensive to rehouse rather than spending money to provide economic stability. In 2023, a single person on SSI receives less money than the average monthly cost for a studio apartment. Allowing people to keep their back pay of SSI benefits instead of repaying overlapping ABD benefits will help support those most in need.

Persons Testifying (Human Services): PRO: Representative Emily Alvarado, Prime Sponsor; Dan Wise, Catholic Community Services; Alex Hur, Statewide Poverty Action Network; Melanie Smith, Seattle / King County Coalition on Homelessness; Tony Bowie,

Washington State Department of Social and Health Services, Economic Services Administration; Babs Roberts, Washington State Department of Social and Health Services, Economic Services Administration; Michele Thomas, Washington Low Income Housing Alliance; Huy Nguyen; Eric Penar, Penar Law; Lianna Kressin.

Persons Signed In To Testify But Not Testifying (Human Services): No one.

Staff Summary of Public Testimony on Bill as Amended by Human Services (Ways & Means): PRO: This bill improves equity and increases stability for those at risk of housing instability and homelessness. The bill will end a long practice of forcing the disabled to forego SSI payments and lose eligibility for HEN.

This is a really at-risk population. We are fiscally and morally bound to support them, and this will prevent future involvement in other state-funded systems of care.

ABD supports those with work-limiting incapacity. Currently when approved for SSI, the state garnishes a portion of the initial lump sum settlement as reimbursement for ABD paid, including up to \$6,000 for attorneys' fees.

SSI is capped at \$914, which is well below the needs standard. Also, many wait years to reach SSI, only to learn that they lose their HEN housing. The outcome of these financial losses is frequently homelessness.

ABD recipients have a high rate of homelessness and mental health disabilities. If a person does not need to repay ABD, they could use this money to find housing. Housed and stable people are less likely to use state resources.

This is good for the state budget. This bill will result in less need for funding for emergency shelter housing and also reduces medical costs. Being homeless can also exacerbate severe medical conditions, like kidney failure.

When individuals are homeless, it is expensive to rehouse them. Better to keep them in their existing housing. This is a very expensive state to live in and this population can benefit from the financial cushion this policy would allow for.

This bill is key to helping reduce homelessness.

Persons Testifying (Ways & Means): PRO: Michele Thomas, Washington Low Income Housing Alliance; Babs Roberts, Department of Social and Health Services, Economic Services Administration; Anmarie Aylward, Department of Social and Health Services, Economic Services Administration; Melanie Smith, Seattle / King County Coalition on Homelessness; Huy Nguyen, Benefits Law Center; Eric Penar, Penar Law.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.