

SENATE BILL REPORT

ESSB 5232

As Passed Senate, February 25, 2025

Title: An act relating to supporting economic security by updating provisions related to the home security fund and the essential needs and housing support program.

Brief Description: Supporting economic security by updating provisions related to the home security fund and the essential needs and housing support program.

Sponsors: Senate Committee on Human Services (originally sponsored by Senators Wilson, C., Frame, Harris, Hasegawa, Nobles and Saldaña; by request of Department of Commerce).

Brief History:

Committee Activity: Human Services: 1/22/25, 1/29/25 [DPS, DNP, w/oRec].

Floor Activity: Passed Senate: 2/25/25, 31-18.

Brief Summary of Engrossed First Substitute Bill

- Provides the Department of Commerce (Commerce) discretion in continuing to serve low or extremely low-income elderly or disabled adults who are transitioning off Housing and Essential Needs Referral Program (HEN) benefits, receiving federal Social Security benefits and still have an immediate housing need.
- Allows HEN entities to provide direct cash assistance, subject to certain limitations.
- Strikes language that limits each HEN entity to use no more than 7 percent of funds for the administration of the program and permits Commerce to align the administrative rate for HEN entities with other Home Security Fund programs.
- Provides that a HEN referral from DSHS for rental assistance must be verified by a housing support provider every 12 months.

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

SENATE COMMITTEE ON HUMAN SERVICES

Majority Report: That Substitute Senate Bill No. 5232 be substituted therefor, and the substitute bill do pass.

Signed by Senators Wilson, C., Chair; Frame, Vice Chair; Orwall.

Minority Report: Do not pass.

Signed by Senator Christian, Ranking Member.

Minority Report: That it be referred without recommendation.

Signed by Senator Warnick.

Staff: Alison Mendiola (786-7488)

Background: Essential Needs and Housing Supports. The Housing and Essential Needs Referral Program (HEN) provides access to essential needs items—such as bus passes and personal care items—and housing assistance to low-income adults who have no dependents, are ages 18-64, and are unable to maintain gainful employment for at least 90 days due a physical incapacity, mental incapacity, or substance use disorder. Those who are eligible for the Aged, Blind, or Disabled Assistance Program (ABD) and Pregnant Women Assistance Program (PWA) may also be eligible for HEN benefits. Recipients who are assessed as in need of treatment by a certified substance use disorder professional are required to participate in substance use disorder treatment as a condition of eligibility. The Department of Social and Health Services (DSHS) provides a referral for HEN, which is administered by the Department of Commerce (Commerce) who determines eligibility for HEN through its network of local providers.

Services provided to HEN recipients include case management, coaching and other referral services, access to healthcare through the Medical Care Services program for recipients who do not meet the requirements to receive federally funded medical assistance, and access to ongoing additional requirements if additional assistance is needed to assist a recipient in continuing to live independently.

To be eligible for a referral to HEN, the maximum monthly income a household can have is \$339 per month, and \$428 for a two-person household.

Not every person referred for HEN receives assistance. Funding for HEN is appropriated by the Legislature. State law requires that the first priority of clients served are homeless, with second priority to those who would be at substantial risk of losing housing without housing support. Commerce designates an essential needs entity and housing entity for each county. Each designated entity must be a local government or community-based organization. The entity may administer the funding for essential needs support, housing support, or both. Commerce may approve a request that two or more counties may combine resources to more effectively deliver services. Essential needs and housing support

entities must use funds distributed to them as flexibly as is practicable. Benefits may not be provided in the form of cash assistance. HEN entities are to partner with other public and private organizations to maximize the beneficial impact of HEN funds and these entities are encouraged to leverage other sources of public and private funds to serve HEN recipients.

Administrative Fees. Commerce is to use no more than 5 percent of the funds for administration of HEN. Each HEN entity is to use no more than 7 percent. Commerce allows a 15 percent administrative rate for grantees—counties, cities, and nonprofits—for other homeless activities it administers through the Home Security Fund.

Aged, Blind, and Disabled Assistance Program. ABD provides cash assistance, a referral to HEN, and help with accessing federal disability benefits eligible to low-income adults who are age 65 or older, blind, or likely to meet federal Supplemental Security Income (SSI) criteria. Recipients must meet income and resource limits, be age 65 or older, blind, civilly committed to Eastern or Western State Hospitals, or determined likely to meet federal SSI disability criteria based on a verified physical, mental, or intellectual impairment.

Pregnant Women Assistance Program. PWA is a state-funded program that provides women who are low-income and pregnant, and who are not eligible for Temporary Assistance for Needy Families or State Family Assistance with cash assistance and a referral to HEN for 24 consecutive months from the date DSHS determines PWA eligibility. PWA provides a maximum monthly cash grant of \$450.

Summary of Engrossed First Substitute Bill: At the discretion of Commerce, low or extremely low-income elderly or disabled adults who are transitioning off of HEN benefits, receiving federal Social Security benefits, and still have an immediate housing need, may receive HEN benefits. A referral from DSHS is not required for these individuals. A HEN referral from DSHS for rental assistance must be verified by a housing support provider every 12 months.

HEN entities are allowed to provide direct cash assistance. Direct cash assistance to a HEN client is allowed only when it addresses a need identified in a client's housing stability plan. Direct cash assistance may be provided through debit cards or other forms of flexible funding, including vouchers for transportation, gift cards, direct payments to vendors, and other similar methods of assistance.

Commerce is to align the administrative rate for HEN entities with other Home Security Fund programs for administrative expenses. The requirement that each HEN entity is to use no more than 7 percent of the funds for the administration of the program is struck.

Appropriation: None.

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 Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: It is incredibly important that we update the use of the HEN program which serves low-income people who are disabled and unable to work. They are some of our most vulnerable residents of our state. This bill would allow HEN recipients to receive rental assistance if their federal benefits are not enough to meet their housing costs. The current bridge pilot is operating in six counties.

The ability to provide direct cash assistance is an efficient use of funds and allows a person to decide for themselves what their critical needs are. Providing direct cash assistance is backed up by research reported by Chapin Hill. This program is more than a decade old, we are looking at how to improve working with stakeholders with lived experience. This is a locally controlled program, locals determine how to best use the funds within the guardrails of the program.

The bridge program is in six of the high cost areas. A person's federal benefit was much lower than their rent once they finally got federal disability status, so while this is helpful it doesn't cover a person's housing costs. Direct cash assistance is optional. Currently, local entities stockpile things like soap and toilet paper. Instead of trying to manage what they think a client will need, cash can be more efficient both for the client and the local entity. This bill also aligns the administrative rate with other homeless housing assistance programs. It is hard when every program has a different administrative rate. We also need to allow housing authorization to be for 12 months instead of 3. It is hard to get landlords to agree to three months.

Persons Testifying: PRO: Senator Claire Wilson, Prime Sponsor; Rob Huff, Washington Low Income Housing Alliance; Tedd Kelleher, WA Department of Commerce.

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