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**SENATE BILL 6625**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** Senators Nguyen, Lovelett, and Frockt

AN ACT Relating to creating a supports and basic income pilot program; amending RCW 74.04.005 and 43.185C.220; adding a new section to chapter 74.62 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature finds that economic inequality continues to widen the gap between the top few earners and working and low-income families. The legislature recognizes that wages have failed to keep pace with cost of living. The legislature recognizes both the value and cost that automation, innovation, and traditional industry disruption have had and will continue to have on Washington's economy. The legislature finds that while Washington has been nationally ranked the top economy and best state for business, Washington has fallen behind further in economic inequality in part by displacing a significant number of jobs in transportation, food service, tourism, and retail sectors, among others.

The legislature finds that as industry and technology transforms the workplace, Washington's human services and public benefits support system too must adapt to a changing economy. The legislature finds that programs such as job retraining or the ability to work part time and maintain a basic standard of living meet a current and future need by modernizing work and the workforce. The legislature finds that while universal basic income studies have been conducted by other jurisdictions, no major study has analyzed the use of a basic income in addition to access to housing and job training.

The legislature declares that all Washington families deserve basic financial security and that it is the goal of the state of Washington to ensure economic sustainability for all families. The legislature therefore intends to enact a pilot program of basic income and supports to provide a cohort of low-income individuals engaged in job training programs with access to housing and a cash stipend for essential needs to better stabilize and access opportunity. The legislature intends to study the outcomes of the program and to analyze the program's resiliency and ability to help Washingtonians adapt to a fast-changing economy.

NEW SECTION. **Sec.**  A new section is added to chapter 74.62 RCW to read as follows:

(1) The supports and basic income pilot program is created within the department.

(2) Eligibility for the supports and basic income pilot program shall be determined as follows:

(a) An eligible participant is a person over the age of eighteen and eligible for the Washington basic food program, as provided for in rule;

(b) For the purpose of this pilot, the cash assistance provided in shall not impact eligibility for other income or means tested programs including, but not limited to; the Washington basic food program, as provided for in rule; the aged, blind and disabled assistance program, as provided for in RCW 74.62.030; the essential needs and housing program, as provided for in RCW 43.185C.220; and temporary assistance for needy families, as provided for in RCW 74.08.025;

(c) The department shall randomly select a set of five hundred eligible participants that together proportionally represent eastern and western Washington; and

(d) The department has the discretion to develop other eligibility criteria for the supports and basic income pilot program.

(3) Eligible participants of the supports and basic income pilot program shall be eligible for both the basic food and training program, as provided for in rule, and the essential needs and housing support program, as provided for in RCW 43.185C.220.

(4) The department shall:

(a) Begin providing eligible participants monthly cash assistance of five hundred dollars by January 1, 2021, through June 30, 2022, assist eligible participants with access to the basic food and training program as provided for in rule, and the essential needs and housing support program, as provided for in RCW 43.185C.220;

(b) Collect data from participants including, but not limited to:

(i) The number of persons served;

(ii) The participant's age, race, and gender identity;

(iii) How the cash assistance is spent;

(iv) Whether there is a change in the participant's physical and mental health;

(v) Whether there is a change in the participant's financial health;

(vi) The impact of having a basic income on other members of the participant's household;

(vii) Whether there is a change in the participant's employment, including increased employment, unemployment, employment with higher wages or better benefits and increased future tax contributions resulting therefrom; and

(viii) Other outcomes as determined by the department; and

(c) Report on data described in this subsection along with recommendations for modifications or expansion of this pilot to the relevant committees of the legislature by November 1, 2022.

**Sec.**  RCW 74.04.005 and 2018 c 40 s 1 are each amended to read as follows:

For the purposes of this title, unless the context indicates otherwise, the following definitions shall apply:

(1) "Aged, blind, or disabled assistance program" means the program established under RCW 74.62.030.

(2) "Applicant" means any person who has made a request, or on behalf of whom a request has been made, to any county or local office for assistance.

(3) "Authority" means the health care authority.

(4) "County or local office" means the administrative office for one or more counties or designated service areas.

(5) "Department" means the department of social and health services.

(6) "Director" means the director of the health care authority.

(7) "Essential needs and housing support program" means the program established in RCW 43.185C.220.

(8) "Federal aid assistance" means the specific categories of assistance for which provision is made in any federal law existing or hereafter passed by which payments are made from the federal government to the state in aid or in respect to payment by the state for public assistance rendered to any category of needy persons for which provision for federal funds or aid may from time to time be made, or a federally administered needs-based program.

(9) "Income" means:

(a) All appreciable gains in real or personal property (cash or kind) or other assets, which are received by or become available for use and enjoyment by an applicant or recipient during the month of application or after applying for or receiving public assistance. The department may by rule and regulation exempt income received by an applicant for or recipient of public assistance which can be used by him or her to decrease his or her need for public assistance or to aid in rehabilitating him or her or his or her dependents, but such exemption shall not, unless otherwise provided in this title, exceed the exemptions of resources granted under this chapter to an applicant for public assistance. In addition, for cash assistance the department may disregard income pursuant to RCW 74.08A.230 and 74.12.350. Furthermore, any cash assistance a person receives under section 2 of this act shall not be considered in determining a person's initial or ongoing eligibility for public assistance during the supports and basic income pilot program.

(b) If, under applicable federal requirements, the state has the option of considering property in the form of lump sum compensatory awards or related settlements received by an applicant or recipient as income or as a resource, the department shall consider such property to be a resource.

(10) "Need" means the difference between the applicant's or recipient's standards of assistance for himself or herself and the dependent members of his or her family, as measured by the standards of the department, and value of all nonexempt resources and nonexempt income received by or available to the applicant or recipient and the dependent members of his or her family.

(11) "Public assistance" or "assistance" means public aid to persons in need thereof for any cause, including services, medical care, assistance grants, disbursing orders, work relief, benefits under RCW 74.62.030 and 43.185C.220, and federal aid assistance.

(12) "Recipient" means any person receiving assistance and in addition those dependents whose needs are included in the recipient's assistance.

(13) "Resource" means any asset, tangible or intangible, owned by or available to the applicant at the time of application, which can be applied toward meeting the applicant's need, either directly or by conversion into money or its equivalent. The department may by rule designate resources that an applicant may retain and not be ineligible for public assistance because of such resources. Exempt resources shall include, but are not limited to:

(a) A home that an applicant, recipient, or their dependents is living in, including the surrounding property;

(b) Household furnishings and personal effects;

(c) One motor vehicle, other than a motor home, used and useful having an equity value not to exceed ten thousand dollars;

(d) A motor vehicle necessary to transport a household member with a physical disability. This exclusion is limited to one vehicle per person with a physical disability;

(e) All other resources, including any excess of values exempted, not to exceed six thousand dollars or other limit as set by the department, to be consistent with limitations on resources and exemptions necessary for federal aid assistance;

(f) Applicants for or recipients of benefits under RCW 74.62.030 and 43.185C.220 shall have their eligibility based on resource limitations consistent with the temporary assistance for needy families program rules adopted by the department; and

(g) If an applicant for or recipient of public assistance possesses property and belongings in excess of the ceiling value, such value shall be used in determining the need of the applicant or recipient, except that: (i) The department may exempt resources or income when the income and resources are determined necessary to the applicant's or recipient's restoration to independence, to decrease the need for public assistance, or to aid in rehabilitating the applicant or recipient or a dependent of the applicant or recipient; and (ii) the department may provide grant assistance for a period not to exceed nine months from the date the agreement is signed pursuant to this section to persons who are otherwise ineligible because of excess real property owned by such persons when they are making a good faith effort to dispose of that property if:

(A) The applicant or recipient signs an agreement to repay the lesser of the amount of aid received or the net proceeds of such sale;

(B) If the owner of the excess property ceases to make good faith efforts to sell the property, the entire amount of assistance may become an overpayment and a debt due the state and may be recovered pursuant to RCW 43.20B.630;

(C) Applicants and recipients are advised of their right to a fair hearing and afforded the opportunity to challenge a decision that good faith efforts to sell have ceased, prior to assessment of an overpayment under this section; and

(D) At the time assistance is authorized, the department files a lien without a sum certain on the specific property.

(14) "Secretary" means the secretary of social and health services.

(15) "Standards of assistance" means the level of income required by an applicant or recipient to maintain a level of living specified by the department.

(16) For purposes of determining eligibility for public assistance and participation levels in the cost of medical care, the department shall exempt restitution payments made to people of Japanese and Aleut ancestry pursuant to the Civil Liberties Act of 1988 and the Aleutian and Pribilof Island Restitution Act passed by congress, P.L. 100-383, including all income and resources derived therefrom.

(17) In the construction of words and phrases used in this title, the singular number shall include the plural, the masculine gender shall include both the feminine and neuter genders, and the present tense shall include the past and future tenses, unless the context thereof shall clearly indicate to the contrary.

**Sec.**  RCW 43.185C.220 and 2015 c 128 s 5 are each amended to read as follows:

(1) The department shall distribute funds for the essential needs and housing support program established under this section in a manner consistent with the requirements of this section and the biennial operating budget. The first distribution of funds must be completed by September 1, 2011. Essential needs or housing support is only for persons found eligible for such services under RCW 74.04.805 and is not considered an entitlement.

(2) The department shall distribute funds appropriated for the essential needs and housing support program in the form of grants to designated essential needs support and housing support entities within each county. The department shall not distribute any funds until it approves the expenditure plan submitted by the designated essential needs support and housing support entities. The amount of funds to be distributed pursuant to this section shall be designated in the biennial operating budget. For the sole purpose of meeting the initial distribution of funds date, the department may distribute partial funds upon the department's approval of a preliminary expenditure plan. The department shall not distribute the remaining funds until it has approved a final expenditure plan.

(3)(a) During the 2011‑2013 biennium, in awarding housing support that is not funded through the contingency fund in this subsection, the designated housing support entity shall provide housing support to clients who are homeless persons as defined in RCW 43.185C.010. As provided in the biennial operating budget for the 2011-2013 biennium, a contingency fund shall be used solely for those clients who are at substantial risk of losing stable housing or at substantial risk of losing one of the other services defined in RCW 74.62.010(6). For purposes of this chapter, "substantial risk" means the client has provided documentation that he or she will lose his or her housing within the next thirty days or that the services will be discontinued within the next thirty days.

(b) After July 1, 2013, the designated housing support entity shall give first priority to clients who are homeless persons as defined in RCW 43.185C.010 and second priority to clients who would be at substantial risk of losing stable housing without housing support.

(4) For each county, the department shall designate an essential needs support entity and a housing support entity that will begin providing these supports to medical care services program recipients on November 1, 2011. Essential needs and housing support entities are not required to provide assistance to every person referred to the local entity or who meets the priority standards in subsection (3) of this section.

(a) 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. Designated entities have the authority to subcontract with qualified entities. Upon request, and the approval of the department, two or more counties may combine resources to more effectively deliver services.

(b) The department's designation process must include a review of proficiency in managing housing or human services programs when designating housing support entities.

(c) Within a county, if the department directly awards separate grants to the designated housing support entity and the designated essential needs support entity, the department shall determine the amount allocated for essential needs support as directed in the biennial operating budget.

(5)(a) Essential needs and housing support entities must use funds distributed under this section as flexibly as is practicable to provide essential needs items and housing support to recipients of the essential needs and housing support program, subject to the requirements of this section.

(b) Benefits provided under the essential needs and housing support program shall not be provided to recipients in the form of cash assistance.

(c) The department may move funds between entities or between counties to reflect actual caseload changes. In doing so, the department must: (i) Develop a process for reviewing the caseload of designated essential needs and housing support entities, and for redistributing grant funds from those entities experiencing reduced actual caseloads to those with increased actual caseloads; and (ii) inform all designated entities of the redistribution process. Savings resulting from program caseload attrition from the essential needs and housing support program shall not result in increased per‑client expenditures.

(d) Essential needs and housing support entities must partner with other public and private organizations to maximize the beneficial impact of funds distributed under this section, and should attempt to leverage other sources of public and private funds to serve essential needs and housing support recipients. Funds appropriated in the operating budget for essential needs and housing support must be used only to serve persons eligible to receive services under that program.

(6) The department shall use no more than five percent of the funds for administration of the essential needs and housing support program. Each essential needs and housing support entity shall use no more than seven percent of the funds for administrative expenses.

(7) The department shall:

(a) Require housing support entities to enter data into the homeless client management information system;

(b) Require essential needs support entities to report on services provided under this section;

(c) In collaboration with the department of social and health services, submit a report annually to the relevant policy and fiscal committees of the legislature. A preliminary report shall be submitted by December 31, 2011, and must include (c)(i), (iii), and (v) of this subsection. Annual reports must be submitted beginning December 1, 2012, and must include:

(i) A description of the actions the department has taken to achieve the objectives of chapter 36, Laws of 2011 1st sp. sess.;

(ii) The amount of funds used by the department to administer the program;

(iii) Information on the housing status of essential needs and housing support recipients served by housing support entities, and individuals who have requested housing support but did not receive housing support;

(iv) Grantee expenditure data related to administration and services provided under this section; and

(v) Efforts made to partner with other entities and leverage sources or public and private funds;

(d) Review the data submitted by the designated entities, and make recommendations for program improvements and administrative efficiencies. The department has the authority to designate alternative entities as necessary due to performance or other significant issues. Such change must only be made after consultation with the department of social and health services and the impacted entity.

(8) The department, counties, and essential needs and housing support entities are not civilly or criminally liable and may not have any penalty or cause of action of any nature arise against them related to decisions regarding: (a) The provision or lack of provision of housing or essential needs support; or (b) the type of housing arrangement supported with funds allocated under this section, when the decision was made in good faith and in the performance of the powers and duties under this section. However, this section does not prohibit legal actions against the department, county, or essential needs or housing support entity to enforce contractual duties or obligations.

(9) Eligible participants of the supports and basic income pilot program, as provided for in section 2 of this act, are eligible for assistance through the essential needs and housing support program during the supports and basic income pilot program period.

(a) Any cash assistance a person receives under section 2 of this act shall not be considered in determining a person's initial or ongoing eligibility for the essential needs and housing support program during the supports and basic income pilot program period.

(b) The department shall coordinate with the department of social and health services to ensure that eligible participants of the supports and basic income pilot program have access to benefits through the essential needs and housing support program.

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