

SENATE BILL REPORT

SB 6116

As Reported by Senate Committee On:
Human Services & Corrections, January 24, 2018

Title: An act relating to modifying eligibility and benefits under certain economic services programs.

Brief Description: Modifying eligibility and benefits under certain economic services programs.

Sponsors: Senators Darneille, Keiser and Chase.

Brief History:

Committee Activity: Human Services & Corrections: 1/17/18, 1/24/18 [DPS-WM, w/oRec].

Brief Summary of First Substitute Bill

- Provides that the Essential Needs and Housing Support Program (HEN) is an entitlement.
- Removes a mandate that individuals who are homeless or are at substantial risk of losing stable housing receive HEN services before other eligible individuals receive services.
- Removes language that would allow a support entity to refuse to provide HEN services to a person referred to the entity.
- Requires the Department of Social and Health Services (DSHS) and Department of Commerce (Commerce) to conduct a study to determine the appropriate benefit amount for persons eligible to receive HEN or aged, blind, or disabled (ABD) assistance program services.

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Majority Report: That Substitute Senate Bill No. 6116 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Darneille, Chair; Dhingra, Vice Chair; O'Ban, Ranking Member; Carlyle, Frockt and Walsh.

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.

Minority Report: That it be referred without recommendation.

Signed by Senator Miloscia.

Staff: Brandon Popovac (786-7465)

Background: Essential Needs and Housing Support Program (HEN). HEN was created by the Legislature in 2011. It provides access to essential needs items and potential housing assistance for low-income adults who are unable to work for at least 90 days due to a physical or mental incapacity and are ineligible for ABD cash assistance. Eligibility for a referral to HEN is determined by DSHS. Eligibility for the receipt of HEN services is determined by Commerce. Commerce is required to distribute funds for HEN through designated essential needs support and housing support entities. HEN assistance may include: limited rent and utilities, personal health and hygiene items, cleaning supplies, and transportation. The amount of funds designated for HEN occurs in the biennial omnibus operating appropriations act.

Aged, Blind, or Disabled Assistance Program (ABD). ABD was established by the Legislature in 2011. ABD is a successor program to the General Assistance and Disability Lifeline programs. Under ABD, DSHS provides cash assistance to eligible low-income adults who are age 65 or older, blind, or determined likely to meet Supplemental Security Income (SSI) disability criteria based on a physical or mental impairment that is expected to last at least 12 consecutive months. The federal SSI standards include the requirement that an individual has a disability that is likely to continue for a minimum of 12 months and that prevents the individual from performing work that the individual was able to perform within the past 15 years. A person is not eligible for ABD if there has been a final determination that the person is not eligible for federal SSI.

Historically, the maximum monthly cash grant was \$339 for a single person under the General Assistance and Disability Lifeline programs. In 2011, a series of ratable reductions to the grant amount occurred following a temporary restraining order in *Elkins v. Dreyfus*, in which it was held that DSHS must halt all ongoing terminations or denials of Disability Lifeline benefits for short-term incapacity recipients that are subject to the 24-month time limit to receive benefits under eligibility definitions. These reductions reduced the maximum grant amount to its current total of \$197 for a single person.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (First Substitute): The HEN program is made an entitlement.

A requirement that HEN services be provided to individuals who are homeless or are at substantial risk of losing stable housing before other eligible individuals receive HEN services is eliminated.

Language allowing HEN support entities to refuse to provide HEN services to every person referred to the entity is removed.

DSHS and Commerce, in consultation with the Office of Financial Management, must:

- conduct a study to determine the appropriate benefit amount for persons eligible to receive HEN or ABD services to achieve financial and housing stability;
- identify the fiscal impacts of modifying each benefit amount on other economic services programs; and
- report recommendations to the Legislature by July 1, 2019.

Appropriation: None.

Fiscal Note: Requested on January 15, 2018.

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 First Substitute: PRO: The Prime Sponsor made note of 56 individuals in support of the bill who did not testify. ABD services provided are reimbursed by the federal government when individuals transfer to SSI benefits. The cash grant for ABD has stayed at the \$197 rate for a long time, which does not provide much of a stable living environment. HEN used to be a cash grant program, but was changed to a program incorporating wrap-around services, including the potential for tenant-based rental assistance to stabilize housing. ABD now provides a lower benefit amount than HEN and has no housing support. The bill removes barriers and would open HEN services to a federal reimbursement.

HEN ensures that extremely low-income individuals diagnosed with temporary mental illness or disabilities have services, like health and hygiene items. HEN fills a gap in the state's safety net. HEN helps prevent chronic homelessness and long-term poverty. The bill would shore up the state's commitment to provide services to help transition to housing stability.

The bill proposes a smart solution to address homelessness for persons with short-term physical and mental disabilities. Communities are experiencing emergency levels of homelessness due to an increase in costs of rent in urban, suburban, and rural areas. For every 100 dollar increase in rent, there is a 6 percent increase in homelessness in urban areas and 32 percent increase in suburban and rural communities. HEN services are provided to over 4,000 people per month who earn less than \$339 per month and are unable to work due to a short-term disability. Eighty percent of individuals referred to HEN have a mental illness need. HEN helps people recover from their disabilities and return to work and regain economic stability.

The bill would stabilize funding for HEN programming. Funding HEN programming out of the general fund is stressful and leaves it vulnerable, affecting program hiring and partnerships with landlords, and causing worry with program participants. Program participants receive an average monthly rental rate of \$600. HEN provides flexible payments depending on circumstances, for example, rooming with friends or family—\$400 per month, room rentals, and micro-units—available in Seattle. Use of the housing voucher provided is determined by the recipient.

HEN as an entitlement would provide utility and rental assistance in an efficient manner. Transportation services for recipients help them reach appointments, job trainings, and schooling. Doctors write letters to DSHS to request HEN referrals for their patients. Processes to satisfy the requirement of medical evaluations and evidence are cumbersome to get a referral to HEN from DSHS. There is no shortcut to fix homelessness, but the best way to address it is through stable housing, and the HEN program is one tool to help fix it.

Persons Testifying: PRO: Senator Jeannie Darneille, Prime Sponsor; Kate Baber, Washington Low-Income Housing Alliance; Janelle Rothfolk, Catholic Community Services of Western Washington; David Hlebain, Statewide Poverty Action Network; Katie Scott, Solid Ground.

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