

HOUSE BILL REPORT

HB 2348

As Reported by House Committee On: Appropriations

Title: An act relating to streamlining reporting for recipients of housing-related state funding by removing Washington state quality award program requirements.

Brief Description: Streamlining reporting for recipients of housing-related state funding by removing Washington state quality award program requirements.

Sponsors: Representatives Duerr, Ormsby and Macri; by request of Department of Commerce.

Brief History:

Committee Activity:

Appropriations: 1/20/20, 1/23/20 [DP].

Brief Summary of Bill

- Removes the requirement for eligible organizations receiving over \$500,000 from specified housing and homelessness-related programs and fund sources to apply to the Washington State Quality Award program.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 31 members: Representatives Ormsby, Chair; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Chopp, Cody, Corry, Dolan, Dye, Fitzgibbon, Hansen, Hoff, Hudgins, Kilduff, Kraft, Macri, Mosbrucker, Pettigrew, Pollet, Ryu, Schmick, Senn, Sullivan, Sutherland, Tarleton, Tharinger and Ybarra.

Staff: Jessica Van Horne (786-7288).

Background:

Transitional Housing Operating and Rent Program.

The Department of Commerce (Department) administers the Transitional Housing Operating and Rent (THOR) program under the state homeless housing program. The THOR program

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provides grants to eligible organizations to provide services to individuals and families who are at risk of becoming homeless. Grant funding must be used for rental assistance, case management services, operating expenses of transitional housing facilities, and administrative costs.

Eligible organizations are local governments, local housing authorities, behavioral health administrative services organizations, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes, and regional or statewide nonprofit housing assistance organizations.

State Housing-Related Funding Sources.

The Department administers a range of affordable housing, homeless housing, and housing assistance programs that provide state housing-related funds to local governments and other organizations. Examples of state housing-related funding sources include the Washington State Housing Trust Account, the Home Security Fund Account, and the Affordable Housing for All Account.

Surcharges on Recorded Documents.

The state and local governments each receive funding to support housing and homelessness programs from certain surcharges collected by each county auditor when a document is recorded. These surcharges include the \$13 Affordable Housing for All surcharge, the \$62 local homeless housing and assistance surcharge, and the \$8 local homeless housing and assistance surcharge. These surcharges are in addition to any other authorized surcharges and administrative fees collected by the county auditor and apply to most recorded documents.

Washington State Quality Award.

The Washington State Quality Award (WSQA) program was established in statute in 1994. The purpose of the WSQA program is to improve the overall competitiveness of the state's economy by stimulating industries, businesses, and organizations to bring about measurable success by setting standards of organization of excellence, encouraging organizational self-assessment, identifying successful organizations, and promoting and strengthening a commitment to continuous quality improvement.

Eligible organizations are required to apply to the WSQA program once every three years for an independent assessment of their quality management, accountability, and performance system if they receive over \$500,000 per calendar year from the following sources: the THOR program; state housing-related funding sources; the Affordable Housing for All surcharge; the local homeless housing and assistance surcharges; and any other surcharges imposed to fund homelessness programs or other housing programs.

Summary of Bill:

The requirement for eligible organizations to apply to the Washington State Quality Award program if they receive over \$500,000 in a calendar year from the Transitional Housing Operating and Rent program and other specified funding sources is removed.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Removing the requirement to report to the Washington State Quality Award (WSQA) program will lessen the regulatory burden on state grantees and maximize the use of state funding. The Department of Commerce (Department) has created an online dashboard that makes data on homelessness programs available to the public, lawmakers, and grantees. Dashboard users can analyze performance on both a statewide and a project level. The online dashboard also provides data on the use of federal, state, local, and private funding for homelessness programs. The Department will continue to monitor risk and ensure grantee accountability through contract terms and reporting and audit requirements. Grantees will continue to be able to purchase performance assessments, including from the WSQA program, but will now be able to decide whom to purchase the service from and do so on their own timeline.

Most local governments pass through grant funding and ensure compliance from their subgrantees. The WSQA program is designed for business and industry, and does not always provide helpful feedback to counties. Applying to the WSQA program is costly and time consuming. The Department already monitors local government performance.

Housing authorities and community action agencies, especially those with limited staff, have found the WSQA process burdensome and duplicative. These entities receive funding from multiple sources, including the Department and the federal government, each of which have their own reporting requirements. In some cases, the other reporting requirements are more rigorous than the assessment by the WSQA program. The WSQA has not always been consistent in assisting and responding to entities applying to the program.

(Opposed) None.

Persons Testifying: Dave Pringle and Kathy Kinard, Department of Commerce; Juliana Roe, Washington State Association of Counties; Andrew Calkins, Association of Washington Housing Authorities; and Jeff DeLuca, Washington State Community Action Partnership.

Persons Signed In To Testify But Not Testifying: None.