

SENATE BILL REPORT

SB 6167

As of January 13, 2020

Title: An act relating to making expenditures from the budget stabilization account to alleviate the issue of homelessness.

Brief Description: Making expenditures from the budget stabilization account to alleviate the issue of homelessness.

Sponsors: Senator Rolfes; by request of Office of Financial Management.

Brief History:

Committee Activity: Ways & Means: 1/14/20.

Brief Summary of Bill

- Appropriates money from the Budget Stabilization Account to fund programs that address homelessness.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Julie Murray (786-7711)

Background: Budget Stabilization Account. In 2007, the voters ratified a constitutional amendment that created the Budget Stabilization Account (BSA) as Article VII, section 12 of the state constitution. Each year, the state treasurer must deposit 1 percent of general state revenues into the constitutionally created BSA. The term "general state revenues" is defined in the constitution and is largely equivalent to the statutory state general fund. Appropriations from the BSA require a three-fifths majority in each chamber of the Legislature, but in the case of a catastrophic event or low employment growth, the Legislature may appropriate from the BSA with a constitutional majority vote of each chamber.

Homeless Assistance Programs. The Department of Commerce (Commerce) manages a range of homeless assistance, prevention and housing programs. These programs are funded from the state general fund and document recording surcharges that are deposited into the Home Security Fund and the Affordable Housing for All Account. Commerce programs include the Housing and Essential Needs (HEN) program that provides rent assistance to

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persons who are unable to work due to a disability expected to continue for at least 90 days and are homeless or at imminent document risk of becoming homeless. Commerce also administers the Consolidated Homeless Grant (CHG), a single grant opportunity for county governments and other designated entities to receive state funding to support a system of prevention services, emergency shelters, transitional housing and temporary rent assistance for people facing homelessness. Commerce's Office of Homeless Youth Prevention and Protection Programs also operates several programs that are dedicated to serving youth and young adults who are experiencing, or are at risk of homelessness.

Washington Housing Trust Fund. Commerce also uses moneys in the Washington Housing Trust Fund to finance, in whole or in part, loans and grants for projects that will provide housing for persons and families with special housing needs and with incomes at or below 50 percent of the median family income for the county or standard metropolitan statistical area where the project is located. Funding for shelters and related services for the homeless, including emergency shelters and overnight youth shelters are eligible projects. The Washington Housing Trust Fund also funds an Operations and Maintenance (O&M) Fund Program to directly subsidize housing projects, such as shelters for the homeless, so that affordable housing is made available to a broader range of extremely low-income households than would be possible without such subsidy.

Model Toxics Control Operating Account. The Department of Ecology (Ecology) uses the Model Toxics Control Operating Account to fund the investigation, cleanup, and prevention of sites that are contaminated by hazardous or dangerous substances. Ecology manages a remedial action grants and loans program to provide funding to local governments to expedite the cleanup and redevelopment of hazardous waste sites.

Summary of Bill: The Legislature finds the state experiences a high rate of homelessness. Moneys from the Budget Stabilization Account are appropriated into the following accounts to address the immediate crisis of unsheltered homelessness:

- \$280.7 million is appropriated for the 2019-2021 biennium expenditure into the Home Security Fund for homeless response programs in the 2019-21 and 2021-2023 fiscal biennia;
- \$30 million is appropriated for the 2019-2021 biennium expenditure into the Washington Housing Trust Fund for additional homeless shelters and enhancements to existing shelters in the 2019-21 and 2021-2023 fiscal biennia; and
- \$8 million is appropriated for the 2019-2021 biennium expenditure into the Model Toxics Control Operating Account for funding to remove solid, hazardous and infectious waste generated by vacant homeless encampments in the 2019-21 and 2021-2023 fiscal biennia.

Appropriation: The bill contains an appropriation totaling \$318.7 million from the Budget Stabilization Account.

Fiscal Note: Not requested.

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

Effective Date: The bill contains an emergency clause and takes effect immediately.