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**HOUSE BILL 1045**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Berry, Peterson, Ryu, Simmons, Goodman, Bateman, Reed, Ramel, Pollet, Street, Senn, Doglio, Macri, Mena, Wylie, Gregerson, and Ormsby

AN ACT Relating to creating the evergreen basic income pilot program; amending RCW 74.04.005, 43.216.1368, 43.185C.220, and 26.19.071; reenacting and amending RCW 10.101.010; adding a new section to chapter 43.216 RCW; adding a new chapter to Title 74 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 2021 "Labor Market and Economic Report" produced by the Washington state employment security department paints a grim picture: Corporate profits increased by over 500 percent from 2000 to 2021 while everyday Washington residents filed more unemployment claims than ever with the onset of the COVID-19 pandemic.

The legislature further finds that 22 percent of Washington's adult population has a disability, and more than a quarter of a million of Washington residents have impairments related to mobility, cognition, dressing, and bathing that may prohibit participation in the workforce. A 2021 report generated by the centers for disease control and prevention about disability in Washington state urged that "everyone can play a role in supporting more inclusive state programs to help people with, or at risk for, disabilities."

The legislature also finds that certain major life transitions or conditions are associated with high economic instability, including being pregnant or a parent of a young child; experiencing homelessness; being an immigrant, refugee, or asylee; exiting from the foster care system, the juvenile justice system, or the criminal justice system; exiting a relationship or living situation due to domestic violence; or having a disability or behavioral health disorder. These priority populations disproportionately experience poverty.

The legislature further finds that climate change will spread disease faster than in the past, creating a new normal where interruption of the labor market, quarantines, and mass-disabling events like those seen during the COVID-19 pandemic become more common place.

Therefore, the legislature declares that all Washington households deserve basic financial security and that it is the goal of the state to ensure economic sustainability for all families. In 1997, the state legislature created WorkFirst, Washington's temporary assistance for needy families program, to aid the state's struggling families. Then in 2009, it created the working families' tax credit to provide additional assistance to Washington residents and then funded the program in 2021. These measures were taken because direct cash assistance is a proven way to support people and households struggling to cover essential expenses.

The department of social and health services recently completed a basic income feasibility study pointing strongly to the conclusion that Washington residents excluded from social and economic well-being would benefit from a statewide basic income program. The legislature finds that a direct cash assistance program with no restrictions or requirements for recipients would help Washington residents struggling under the weight of unprecedented income inequalities.

NEW SECTION. **Sec.**  The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Board" or "board of directors" means the board of directors established in section 4 of this act.

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

(3) "Disability" has the same meaning as "disabled" in RCW 74.62.030(1)(a)(iii)(C).

(4) "Fair market rent" means the fair market rents for a two-bedroom dwelling unit as published by the United States department of housing and urban development.

(5) "Federal poverty level" means the federal poverty guidelines updated periodically in the federal register by the United States department of health and human services.

(6) "Homelessness" means without a fixed, regular, and adequate nighttime residence.

(7) "Pilot" or "pilot program" means the evergreen basic income pilot program established under section 3 of this act.

(8)(a) "Resident" means a person who currently lives in Washington and:

(i) Intends to reside in the state, including persons without a fixed address;

(ii) Entered the state looking for a job; or

(iii) Entered the state with a job commitment.

(b) A person does not need to live in the state for a specific period of time prior to meeting the requirements in this subsection before being considered a resident.

NEW SECTION. **Sec.**  (1) The evergreen basic income pilot program is established within the department.

(2) No later than July 1, 2024, the department shall begin providing 24 monthly payments to participants who:

(a) Are at least 18 years of age or an emancipated minor;

(b) Are a resident of Washington state;

(c) Have reported gross income that does not exceed 200 percent of the federal poverty level;

(d) Are experiencing at least one of the following major life transitions or conditions associated with high economic instability:

(i) Currently pregnant;

(ii) Parent of at least one child under the age of five;

(iii) Homelessness;

(iv) Immigrant, refugee, or asylee;

(v) Exiting from the foster care system, the juvenile justice system, or the criminal justice system;

(vi) Exiting a relationship or living situation due to domestic violence as defined in RCW 7.105.010;

(vii) Disability; or

(viii) Behavioral health disorder as defined in RCW 71.05.020;

(e) Meet the eligibility requirements as established by the board of directors; and

(f) Are selected for participation in the pilot program.

(3) The board may modify eligibility requirements only if it will expand eligibility, provide more equitable participant representation in the pilot program, or respond to emergent trends or needs. Any changes to the eligibility requirements may only be made with public feedback.

(4) The monthly payment for pilot participants must be equal to 100 percent of the fair market rent in the county in which the participant lives at the time of application. Payment options must be available to both banked and unbanked participants.

(5) No more than 7,500 eligible participants may be selected for the pilot program. If the number of qualified applicants exceeds 7,500, participants shall be randomly selected from the pool of qualified applicants while complying with the statewide distribution requirements in section 5 of this act.

(6) Qualified applicants in excess of the limit in subsection (5) of this section may serve in a control group for data collection purposes. Control group participants will be compensated at a rate of $25 per hour up to a maximum of $250 per person.

(7) The board of directors shall establish a simple and low-barrier application process that allows for self-attestation of income and life transition or condition. The application must be available in multiple languages and formats, including paper, online, and in-person assistance.

(8) The board of directors may not exclude participation in the pilot program due to, or request information regarding, a person's immigration status, citizenship status, or place of birth, except that an applicant qualifying for the pilot program based on subsection (2)(d)(iv) of this section may be required to indicate on the application that the applicant meets the criteria.

(9) The department shall provide funding to tribal entities and community-based organizations that serve and are substantially governed by marginalized populations to pay the costs associated with program outreach, assistance completing applications, and related activities that directly support the goal of encouraging application and participation by people of color. The department shall contract with a third-party vendor to process and approve applications.

(10) The pilot program shall offer participants ongoing benefit counseling that includes an analysis of whether and how any other public benefits may be impacted and ensures informed consent.

(11) The pilot program shall reimburse any pilot participant for the loss of other public benefits due to participation in the pilot.

(12) The pilot program shall develop easy, efficient, and clearly communicated reenrollment plans for participants to immediately reenroll in any benefits lost due to participation in the evergreen basic income pilot program.

NEW SECTION. **Sec.**  (1) A board of directors is established as a collaboration of the state, tribal nations, and community partners to administer the evergreen basic income pilot program. The board is responsible for:

(a) Providing strategic direction, oversight, and accountability of the evergreen basic income pilot program;

(b) Establishing policies for all phases of the pilot, including design, development, outreach, eligibility, enrollment, and data collection and use;

(c) Coordinating with the pilot program's management and administrative team, regional directors, evaluation team, and community partners for the operation, coordination, and evaluation of the pilot program;

(d) Providing financial and other support to the network of community-based organizations that possess the knowledge and expertise to best serve their residents;

(e) Upholding a targeted universalism approach and ensuring benefits reach the priority populations;

(f) Managing public and private resources to maximize the impact of a basic income benefit for recipients; and

(g) Reviewing and approving the final report required under section 6(2) of this act.

(2) The board of directors must consist of at least 17 members appointed by the secretary of the department of social and health services as follows:

(a) Two representatives of the department of social and health services, one of whom must be a tribal liaison for the department;

(b) At least one representative of a federally recognized tribe from each of the four regions established by the department's office of Indian policy;

(c) One representative of a federally recognized tribe whose reservation is largely urban; and

(d) Ten representatives from community-based organizations, with at least one representative from each of the priority populations identified in section 3(2)(d) of this act.

(3) The board of directors must select a chair from among its members.

NEW SECTION. **Sec.**  (1) To ensure statewide distribution of participants in the pilot program, each of the following regions will be allotted a maximum number of eligible participants:

(a) The Salish region comprised of Clallam and Jefferson counties, the reservations of the Hoh, Jamestown S'Klallam, Lower Elwha Klallam, Makah, and Quileute tribes, and the portion of the Quinault Indian Nation that is located within the borders of Jefferson county;

(b) The Thurston-Mason region comprised of Kitsap, Mason, and Thurston counties, the reservations of the Nisqually, Port Gamble S'Klallam, Skokomish, Squaxin Island, and Suquamish tribes, and the portion of the Confederated Tribes of the Chehalis Reservation that is located within the borders of Thurston county;

(c) The great rivers region comprised of Cowlitz, Grays Harbor, Lewis, Pacific, and Wahkiakum counties, the reservations of the Cowlitz and Shoalwater Bay tribes, and the portions of the Confederated Tribes of the Chehalis Reservation and the Quinault Indian Nation that are located within the borders of Grays Harbor county;

(d) The north sound region comprised of Island, San Juan, Skagit, Snohomish, and Whatcom counties and the reservations of the Lummi, Nooksack, Samish, Sauk-Suiattle, Stillaguamish, Swinomish, Tulalip, and Upper Skagit tribes;

(e) The southwest region comprised of Clark, Klickitat, and Skamania counties and the portions of the Confederated Tribes and Bands of the Yakama Nation and Cowlitz Indian Tribe located within the boundaries of Clark and Klickitat counties;

(f) The King and Pierce region comprised of King and Pierce counties and the reservations of the Muckleshoot, Puyallup, and Snoqualmie tribes;

(g) The north central region comprised of Chelan, Douglas, Grant, and Okanogan counties and the portion of the Confederated Tribes of the Colville Reservation located within the boundaries of Okanogan county;

(h) The greater Columbia region comprised of Asotin, Benton, Columbia, Franklin, Garfield, Kittitas, Walla Walla, Whitman, and Yakima counties and the portion of the Confederated Tribes and Bands of the Yakama Nation located within the boundaries of Yakima county; and

(i) The Spokane region comprised of Adams, Ferry, Lincoln, Pend Oreille, Stevens, and Spokane counties, the reservations of the Kalispel and Spokane tribes, and the portion of the Confederated Tribes of the Colville Reservation located within the boundaries of Ferry county.

(2) The maximum number of eligible participants per region is to be determined according to the share of people living in poverty in Washington state that reside in that region.

NEW SECTION. **Sec.**  (1) The department may collect data on a voluntary basis from participants in the pilot program and control group. Data collected may include age, race, ethnicity, geographic location, and the life transition or condition the participant is experiencing. The department may not collect data or request information or proof regarding a person's immigration status, citizenship status, or place of birth except as allowed under section 3 of this act. The department may offer incentives to participants that encourage completion of any surveys or evaluations. Participants must have access to any of their individual data collected, and the entity collecting the data shall anonymize the data before sharing it with a third party unless the participant consents to their identity being shared.

(2) By December 1, 2026, and in compliance with RCW 43.01.036, the department shall submit a report to the legislature and the governor that evaluates the pilot program and makes recommendations for an ongoing basic income program, including the appropriate amount of basic income and length of assistance to be provided. The evaluation shall:

(a) Include a cost-benefit analysis;

(b) Align with research justice principles and recognize that all forms of knowledge, including cultural, spiritual, experiential, and mainstream, have equal value;

(c) Evaluate the well-being change for participants in the pilot program compared to their peers, including economic well-being, power, autonomy, sense of belonging, and mobility; and

(d) Be developed with input from community partners.

NEW SECTION. **Sec.**  (1) As allowable by federal and state law, state agencies will minimize, to the greatest extent possible, the impact of cash assistance provided under the pilot program on public assistance eligibility and benefit amounts including, but not limited to:

(a) Other cash assistance programs, including the temporary assistance for needy families program, the state family assistance program, and the refugee cash assistance program;

(b) Food assistance programs, including the basic food program, the food assistance program, the free and reduced-price lunch program, the women, infants, and children program, and the food distribution program on Indian reservations;

(c) Child care subsidies, including the working connections child care program as provided for in RCW 43.216.136; the early childhood education and assistance program as provided for in RCW 43.216.510; and head start and tribal head start programs;

(d) Assistance programs administered by the department of commerce, including the low-income heating and electric assistance program and the essential needs and housing support program as provided for in RCW 43.185C.220;

(e) Disability benefits, including the aged, blind, or disabled assistance program as provided for in RCW 74.62.030;

(f) Medical assistance programs, including medicaid; and

(g) Legal assistance programs, including indigent defense services, as provided for in chapter 10.101 RCW.

(2) By December 1, 2024, state agencies shall complete any actions required to comply with this section, which may include rule making, coordinating with federal regulatory agencies, and proposing changes to existing state law, and provide a summary of their analysis and actions to the department.

**Sec.**  RCW 74.04.005 and 2020 c 136 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 from the evergreen basic income pilot program as provided for in section 3 of this act or any guaranteed basic income program operated by a government or private entity may not be considered in determining a person's initial or ongoing eligibility for public assistance.

(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)(a) "Victim of human trafficking" means a noncitizen and any qualifying family members who have:

(i) Filed or are preparing to file an application for T nonimmigrant status with the appropriate federal agency pursuant to 8 U.S.C. Sec. 1101(a)(15)(T), as it existed on January 1, 2020;

(ii) Filed or are preparing to file an application with the appropriate federal agency for status pursuant to 8 U.S.C. Sec. 1101(a)(15)(U), as it existed on January 1, 2020; or

(iii) Been harmed by either any violation of chapter 9A.40 or 9.68A RCW, or both, or by substantially similar crimes under federal law or the laws of any other state, and who:

(A) Are otherwise taking steps to meet the conditions for federal benefits eligibility under 22 U.S.C. Sec. 7105, as it existed on January 1, 2020; or

(B) Have filed or are preparing to file an application with the appropriate federal agency for status under 8 U.S.C. Sec. 1158.

(b)(i) "Qualifying family member" means:

(A) A victim's spouse and children; and

(B) When the victim is under twenty-one years of age, a victim's parents and unmarried siblings under the age of eighteen.

(ii) "Qualifying family member" does not include a family member who has been charged with or convicted of attempt, conspiracy, solicitation, or commission of any crime referenced in this subsection or described under 8 U.S.C. Sec. 1101(a)(15)(T) or (U) as either existed on January 1, 2020, when the crime is against a spouse who is a victim of human trafficking or against the child of a victim of human trafficking.

(17) 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.

(18) 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.

NEW SECTION. **Sec.**  A new section is added to chapter 43.216 RCW to read as follows:

For the early childhood education and assistance program, the department may not consider any cash assistance a person receives from the evergreen basic income pilot program as provided for in section 3 of this act or any guaranteed basic income program operated by a government or private entity in determining family income or a child's eligibility.

**Sec.**  RCW 43.216.1368 and 2022 c 297 s 959 are each amended to read as follows:

(1) It is the intent of the legislature to increase working families' access to affordable, high quality child care and to support the expansion of the workforce to support businesses and the statewide economy.

(2) Beginning October 1, 2021, a family is eligible for working connections child care when the household's annual income is at or below 60 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Less than 13 years of age; or (ii) less than 19 years of age and has a verified special need according to department rule or is under court supervision; and

(b) The household meets all other program eligibility requirements.

(3) Beginning July 1, 2025, a family is eligible for working connections child care when the household's annual income is above 60 percent and at or below 75 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Less than 13 years of age; or (ii) less than 19 years of age and has a verified special need according to department rule or is under court supervision; and

(b) The household meets all other program eligibility requirements.

(4) Beginning July 1, 2027, and subject to the availability of amounts appropriated for this specific purpose, a family is eligible for working connections child care when the household's annual income is above 75 percent of the state median income and is at or below 85 percent of the state median income adjusted for family size and:

(a) The child receiving care is: (i) Less than 13 years of age; or (ii) less than 19 years of age and has a verified special need according to department rule or is under court supervision; and

(b) The household meets all other program eligibility requirements.

(5)(a) Beginning October 1, 2021, through June 30, 2023, the department must calculate a monthly copayment according to the following schedule:

|  |  |
| --- | --- |
| If the household's income is: | Then the household's maximum monthly copayment is: |
| At or below 20 percent of the state median income | Waived to the extent allowable under federal law; otherwise, a maximum of $15 |
| Above 20 percent and at or below 36 percent of the state median income | $65 |
| Above 36 percent and at or below 50 percent of the state median income | $115 until December 31, 2021, and $90 beginning January 1, 2022 |
| Above 50 percent and at or below 60 percent of the state median income | $115 |

(b) Beginning July 1, 2023, the department must calculate a monthly copayment according to the following schedule:

|  |  |
| --- | --- |
| If the household's income is: | Then the household's maximum monthly copayment is: |
| At or below 20 percent of the state median income | Waived to the extent allowable under federal law; otherwise, a maximum of $15 |
| Above 20 percent and at or below 36 percent of the state median income | $65 |
| Above 36 percent and at or below 50 percent of the state median income | $90 |
| Above 50 percent and at or below 60 percent of the state median income | $165 |

(c) Beginning July 1, 2025, the department must calculate a maximum monthly copayment of $215 for households with incomes above 60 percent and at or below 75 percent of the state median income.

(d) Subject to the availability of amounts appropriated for this specific purpose, the department shall adopt a copayment model for households with annual incomes above 75 percent of the state median income and at or below 85 percent of the state median income. The model must calculate a copayment for each household that is no greater than seven percent of the household's countable income within this income range.

(e) The department may adjust the copayment schedule to comply with federal law.

(6) The department must adopt rules to implement this section, including an income phase-out eligibility period.

(7) For the working connections child care program, the department may not consider any cash assistance a person receives from the evergreen basic income pilot program as provided for in section 3 of this act or any guaranteed basic income program operated by a government or private entity in determining a person's initial or ongoing eligibility or copayment.

**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) Participants in the evergreen basic income pilot program, as provided for in section 3 of this act, are eligible for assistance through the essential needs and housing support program.

(a) Any cash assistance a person receives from the evergreen basic income pilot program under section 3 of this act or any guaranteed basic income program operated by a government or private entity may not be considered in determining a person's initial or ongoing eligibility for the essential needs and housing support program.

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

**Sec.**  RCW 10.101.010 and 2011 1st sp.s. c 36 s 12 are each reenacted and amended to read as follows:

The following definitions shall be applied in connection with this chapter:

(1) "Anticipated cost of counsel" means the cost of retaining private counsel for representation on the matter before the court.

(2) "Available funds" means liquid assets and disposable net monthly income calculated after provision is made for bail obligations. For the purpose of determining available funds, the following definitions shall apply:

(a) "Liquid assets" means cash, savings accounts, bank accounts, stocks, bonds, certificates of deposit, equity in real estate, and equity in motor vehicles. A motor vehicle necessary to maintain employment and having a market value not greater than three thousand dollars shall not be considered a liquid asset.

(b) "Income" means salary, wages, interest, dividends, and other earnings which are reportable for federal income tax purposes, and cash payments such as reimbursements received from pensions, annuities, social security, and public assistance programs. It includes any contribution received from any family member or other person who is domiciled in the same residence as the defendant and who is helping to defray the defendant's basic living costs.

(c) "Disposable net monthly income" means the income remaining each month after deducting federal, state, or local income taxes, social security taxes, contributory retirement, union dues, and basic living costs.

(d) "Basic living costs" means the average monthly amount spent by the defendant for reasonable payments toward living costs, such as shelter, food, utilities, health care, transportation, clothing, loan payments, support payments, and court-imposed obligations.

(3) "Indigent" means a person who, at any stage of a court proceeding, is:

(a) Receiving one of the following types of public assistance: Temporary assistance for needy families, aged, blind, or disabled assistance benefits, medical care services under RCW 74.09.035, pregnant women assistance benefits, poverty-related veterans' benefits, food stamps or food stamp benefits transferred electronically, refugee resettlement benefits, medicaid, ((~~or~~)) supplemental security income, or cash assistance from the evergreen basic income pilot program as provided for in section 3 of this act; or

(b) Involuntarily committed to a public mental health facility; or

(c) Receiving an annual income, after taxes, of one hundred twenty-five percent or less of the current federally established poverty level; or

(d) Unable to pay the anticipated cost of counsel for the matter before the court because his or her available funds are insufficient to pay any amount for the retention of counsel.

(4) "Indigent and able to contribute" means a person who, at any stage of a court proceeding, is unable to pay the anticipated cost of counsel for the matter before the court because his or her available funds are less than the anticipated cost of counsel but sufficient for the person to pay a portion of that cost.

**Sec.**  RCW 26.19.071 and 2020 c 227 s 2 are each amended to read as follows:

(1) **Consideration of all income.** All income and resources of each parent's household shall be disclosed and considered by the court when the court determines the child support obligation of each parent. Only the income of the parents of the children whose support is at issue shall be calculated for purposes of calculating the basic support obligation. Income and resources of any other person shall not be included in calculating the basic support obligation.

(2) **Verification of income.** Tax returns for the preceding two years and current paystubs shall be provided to verify income and deductions. Other sufficient verification shall be required for income and deductions which do not appear on tax returns or paystubs.

(3) **Income sources included in gross monthly income.** Except as specifically excluded in subsection (4) of this section, monthly gross income shall include income from any source, including:

(a) Salaries;

(b) Wages;

(c) Commissions;

(d) Deferred compensation;

(e) Overtime, except as excluded for income in subsection (4)((~~(i)~~)) (j) of this section;

(f) Contract-related benefits;

(g) Income from second jobs, except as excluded for income in subsection (4)((~~(i)~~)) (j) of this section;

(h) Dividends;

(i) Interest;

(j) Trust income;

(k) Severance pay;

(l) Annuities;

(m) Capital gains;

(n) Pension retirement benefits;

(o) Workers' compensation;

(p) Unemployment benefits;

(q) Maintenance actually received;

(r) Bonuses;

(s) Social security benefits;

(t) Disability insurance benefits; and

(u) Income from self-employment, rent, royalties, contracts, proprietorship of a business, or joint ownership of a partnership or closely held corporation.

(4) **Income sources excluded from gross monthly income.** The following income and resources shall be disclosed but shall not be included in gross income:

(a) Income of a new spouse or new domestic partner or income of other adults in the household;

(b) Child support received from other relationships;

(c) Gifts and prizes;

(d) Temporary assistance for needy families;

(e) Supplemental security income;

(f) Aged, blind, or disabled assistance benefits;

(g) Pregnant women assistance benefits;

(h) Food stamps; ((~~and~~))

(i) Cash assistance from the evergreen basic income pilot program as provided for in section 3 of this act; and

(j) Overtime or income from second jobs beyond forty hours per week averaged over a twelve-month period worked to provide for a current family's needs, to retire past relationship debts, or to retire child support debt, when the court finds the income will cease when the party has paid off his or her debts.

Receipt of income and resources from temporary assistance for needy families, supplemental security income, aged, blind, or disabled assistance benefits, and food stamps shall not be a reason to deviate from the standard calculation.

(5) **Determination of net income.** The following expenses shall be disclosed and deducted from gross monthly income to calculate net monthly income:

(a) Federal and state income taxes;

(b) Federal insurance contributions act deductions;

(c) Mandatory pension plan payments;

(d) Mandatory union or professional dues;

(e) State industrial insurance premiums;

(f) Court-ordered maintenance to the extent actually paid;

(g) Up to five thousand dollars per year in voluntary retirement contributions actually made if the contributions show a pattern of contributions during the one-year period preceding the action establishing the child support order unless there is a determination that the contributions were made for the purpose of reducing child support; and

(h) Normal business expenses and self-employment taxes for self-employed persons. Justification shall be required for any business expense deduction about which there is disagreement.

Items deducted from gross income under this subsection shall not be a reason to deviate from the standard calculation.

(6) **Imputation of income.** The court shall impute income to a parent when the parent is voluntarily unemployed or voluntarily underemployed. The court shall determine whether the parent is voluntarily underemployed or voluntarily unemployed based upon that parent's assets, residence, employment and earnings history, job skills, educational attainment, literacy, health, age, criminal record, dependency court obligations, and other employment barriers, record of seeking work, the local job market, the availability of employers willing to hire the parent, the prevailing earnings level in the local community, or any other relevant factors. A court shall not impute income to a parent who is gainfully employed on a full-time basis, unless the court finds that the parent is voluntarily underemployed and finds that the parent is purposely underemployed to reduce the parent's child support obligation. Income shall not be imputed for an unemployable parent. Income shall not be imputed to a parent to the extent the parent is unemployed or significantly underemployed due to the parent's efforts to comply with court-ordered reunification efforts under chapter 13.34 RCW or under a voluntary placement agreement with an agency supervising the child.

(a) Except as provided in (b) of this subsection, in the absence of records of a parent's actual earnings, the court shall impute a parent's income in the following order of priority:

(i) Full-time earnings at the current rate of pay;

(ii) Full-time earnings at the historical rate of pay based on reliable information, such as employment security department data;

(iii) Full-time earnings at a past rate of pay where information is incomplete or sporadic;

(iv) Earnings of thirty-two hours per week at minimum wage in the jurisdiction where the parent resides if the parent is on or recently coming off temporary assistance for needy families or recently coming off aged, blind, or disabled assistance benefits, pregnant women assistance benefits, essential needs and housing support, supplemental security income, or disability, has recently been released from incarceration, or is a recent high school graduate. Imputation of earnings at thirty-two hours per week under this subsection is a rebuttable presumption;

(v) Full-time earnings at minimum wage in the jurisdiction where the parent resides if the parent has a recent history of minimum wage earnings, has never been employed and has no earnings history, or has no significant earnings history;

(vi) Median net monthly income of year-round full-time workers as derived from the United States bureau of census, current population reports, or such replacement report as published by the bureau of census.

(b) When a parent is currently enrolled in high school full-time, the court shall consider the totality of the circumstances of both parents when determining whether each parent is voluntarily unemployed or voluntarily underemployed. If a parent who is currently enrolled in high school is determined to be voluntarily unemployed or voluntarily underemployed, the court shall impute income at earnings of twenty hours per week at minimum wage in the jurisdiction where that parent resides. Imputation of earnings at twenty hours per week under this subsection is a rebuttable presumption.

NEW SECTION. **Sec.**  If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state.

NEW SECTION. **Sec.**  Sections 2 through 7 and 14 of this act constitute a new chapter in Title 74 RCW.

**--- END ---**