

# HOUSE BILL REPORT

## ESHB 1260

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### As Passed House:

March 1, 2023

**Title:** An act relating to accelerating stability for people with a work-limiting disability or incapacity.

**Brief Description:** Accelerating stability for people with a work-limiting disability or incapacity.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Alvarado, Leavitt, Taylor, Senn, Farivar, Simmons, Davis, Fitzgibbon, Callan, Reeves, Reed, Fey, Gregerson, Cortes, Macri, Fosse, Doglio and Pollet; by request of Department of Social and Health Services).

### Brief History:

#### Committee Activity:

Human Services, Youth, & Early Learning: 1/25/23, 2/3/23 [DP];

Appropriations: 2/15/23, 2/22/23 [DPS].

#### Floor Activity:

Passed House: 3/1/23, 92-4.

### Brief Summary of Engrossed Substitute Bill

- Eliminates the requirement for Aged, Blind, or Disabled (ABD) program recipients to repay the state for benefits received during the same period as federal Supplemental Security Income benefits were received.
- Places income eligibility standards for the Essential Needs and Housing (HEN) and ABD programs within rule, rather than statute, and modifies eligibility criteria for the ABD and Pregnant Women Assistance (PWA) programs to require that a person is ineligible for specific programs, rather than most federal assistance programs in general.
- Expands the list of good cause reasons for failing to participate in substance use disorder treatment as a condition of eligibility for ABD,

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

PWA, or HEN program benefits.

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## HOUSE COMMITTEE ON HUMAN SERVICES, YOUTH, & EARLY LEARNING

**Majority Report:** Do pass. Signed by 7 members: Representatives Senn, Chair; Cortes, Vice Chair; Taylor, Vice Chair; Callan, Goodman, Ortiz-Self and Rule.

**Minority Report:** Without recommendation. Signed by 4 members: Representatives Eslick, Ranking Minority Member; Couture, Assistant Ranking Minority Member; Dent and Walsh.

**Staff:** Omeara Harrington (786-7136).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Berg, Chopp, Davis, Fitzgibbon, Lekanoff, Pollet, Riccelli, Ryu, Senn, Simmons, Slatter, Springer, Stonier and Tharinger.

**Minority Report:** Do not pass. Signed by 11 members: Representatives Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; Chandler, Connors, Couture, Dye, Harris, Rude, Sandlin and Steele.

**Staff:** Matt Mazur-Hart (786-7139).

### **Background:**

#### *The Aged, Blind, or Disabled Cash Assistance Program.*

The Aged, Blind, or Disabled (ABD) cash assistance program provides cash assistance, a referral to the Essential Needs and Housing (HEN) program, and help accessing federal disability benefits to eligible low-income adults who are age 65 or older, blind, or determined likely to meet federal Supplemental Security Income (SSI) criteria. Eligible individuals must have countable monthly income at or below \$428 for a married couple or at or below \$339 for a single individual, and meet certain resource limits. Additionally, to qualify for ABD benefits, persons must be ineligible to receive federal aid assistance other than basic food benefits and medical assistance.

Persons may receive ABD benefits while pending application for federal SSI benefits. The monetary value of any ABD benefit that is subsequently duplicated by the person's receipt of SSI benefits for the same period is considered a debt and is subject to recovery by the

state.

*The Pregnant Women Assistance Program.*

The Pregnant Women Assistance (PWA) program provides cash assistance and a referral to the HEN program to pregnant individuals who are not eligible to receive federal aid assistance other than basic food benefits or medical assistance, and are in need based on current income and resource standards for the Temporary Assistance for Needy Families (TANF) programs, but are ineligible for a reason other than a failure to cooperate with TANF program rules.

*Essential Needs and Housing Program.*

The HEN program provides funding to local governments and homeless service providers to help individuals referred to the program with time-limited rent assistance, services connected to housing stability, and limited essential needs items, such as personal hygiene and transportation. Persons are eligible for a referral to the program when they:

- have been determined to be eligible for the PWA program, the ABD program, or are incapacitated from gainful employment by reason of bodily or mental infirmity that will likely continue for a minimum of 90 days;
- are a citizen, lawful permanent resident, residing in the United States under color of law, or are a victim of human trafficking, and have furnished a Social Security number, with some exceptions;
- have countable monthly income at or below \$428 for a married couple or at or below \$339 for a single individual, and meet certain resource limits, or meet income standards for the PWA program; and
- are not eligible for federal aid assistance, other than basic food benefits and medical assistance.

*Disqualification from Aged, Blind, or Disabled Cash Assistance; Pregnant Women Assistance; and Essential Needs and Housing Program Eligibility.*

Certain persons are not eligible for ABD, PWA, and HEN program benefits, including those who refuse or fail without good cause to participate in substance use disorder (SUD) treatment when assessed as needing treatment by a SUD professional. Good cause includes when a person's physical or mental condition prevents participation in SUD treatment, when needed outpatient treatment is not available in the person's county, or when needed inpatient treatment is not available in a reasonably accessible location.

*Temporary Assistance for Needy Families, State Family Assistance, and Refugee Cash Assistance.*

The TANF program is a federally funded program that provides cash assistance to parents or caregivers with children and pregnant individuals to help meet foundational needs. Persons who are caring for a relative's child, are legal guardians, or who are acting in the place of a parent, are also able to apply for TANF benefits on behalf of these children. Benefits under the TANF program are limited to 60 months, with some exceptions, and are available to people who meet certain income and resource limits and meet citizenship

criteria. The State Family Assistance (SFA) program provides state-funded cash assistance for legal immigrant families, students ages 19 to 20, and pregnant individuals who are ineligible to receive TANF benefits. The Refugee Cash Assistance (RCA) program provides up to 12 months of cash assistance for newly arrived single and married adults who are ineligible for TANF.

*Federal Poverty Level.*

The United States Department of Health and Human Services establish poverty guidelines that are used to determine financial eligibility for certain programs. Updated guidelines are available annually in mid-January. Currently, the federal poverty level for a single person is \$1,215 monthly, and for a two person household is \$1,643 monthly.

**Summary of Engrossed Substitute Bill:**

Effective October 1, 2023, the requirement for ABD program recipients to repay the state for benefits received for the same period as federal Supplemental Security Income benefits were received is eliminated.

Income eligibility standards for the HEN and ABD programs are placed within rule, rather than statute. The eligibility standard may not exceed 100 percent of the federal poverty level. The provisions outlining eligibility for ABD benefits are modified to reflect that a person is eligible for ABD benefits when they are ineligible for SSI, RCA, TANF, or SFA benefits and meet other criteria, rather than when they are ineligible for federal aid assistance other than basic food and medical assistance. The provisions outlining eligibility for the PWA program are modified to reflect that a person is eligible when they are in need but ineligible for SFA benefits, in addition to TANF benefits, and meet other criteria, rather than when they are ineligible for most federal assistance programs.

The list of good cause reasons for failing to participate in SUD treatment as a condition of ABD, PWA, or HEN program eligibility is expanded. Good cause exists when the person is a parent or other relative personally providing care for a minor child or an incapacitated individual living in the same home as the person, and childcare or day care that would be needed in order for the person to participate in treatment is not available.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on March 2, 2023.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony (Human Services, Youth, & Early Learning):**

(In support) Every person deserves healthy food, a place to live, and medical services. Not

everyone has this, especially those with a documented disability that leaves them unable to work. The ABD program provides a modest stipend for those with a work limiting disability and is a lifeline that pays for essentials, clothing, and bus fare. These are people with extremely low income, and high rates of homelessness and mental disability. This program is a bridge to federal disability benefits. Since the 1980s the state has required recipients to repay the state when someone begins to receive SSI payments. Typically it is less than five months of SSI income that overlap with ABD benefits, which is paid back before the individual is paid. People fight to get SSI benefits for years, and then do not understand why their payment is so small; it is due to the payback policy. The state collects thousands of dollars from some people. Once awarded SSI, people have a monthly income that is usually less than \$1,000 and are below the poverty level. This amount does not meet the standard of living cost for any individual in the state. Most individuals in this level of poverty are one emergency away from homelessness, and homelessness is expensive. These are resources people need to stabilize themselves. The current policy is untenable, and the changes in the bill align with broader state goals to reduce poverty in furtherance of equity.

Everyone needs a financial safety net, and this would allow people in deep poverty to have a small safety net for emergencies. A lot of people accrue debt just trying to survive. Having to repay ABD benefits makes them lose the one chance they had to get on their feet. If a person has more than \$2,000 in assets, they do not qualify for SSI benefits. This makes it hard to save for first month and last month rent to secure housing, because if they do that, they lose eligibility. Because it takes so long to get SSI benefits, often people end up with a lump sum of back payments when the approval goes through. This is a unique opportunity for people to set themselves up with housing without running into the \$2,000 asset cap. There was a pilot related to this issue that was very successful. The bill also makes a technical fix to clarify and align services between the DSHS divisions related to vocational rehabilitation programs and will align policies with other cash assistance programs by putting the eligibility for HEN services in rule, rather than statute.

(Opposed) None.

### **Staff Summary of Public Testimony (Appropriations):**

(In support) The state asks adults with disabilities to pay back part of their lump-sum SSI payment, which could otherwise be used to create savings for emergencies or pay for the deposit and move-in costs for an apartment.

The bill will improve equity and create more stability for a population that is at risk of housing instability and homelessness. People lose their eligibility for the HEN program when they receive SSI, making the extra funding they would receive under this bill that much more important.

The individuals who would benefit from this bill have high rates of mental health

disabilities and live well below the federal poverty level.

(Opposed) None.

**Persons Testifying (Human Services, Youth, & Early Learning):** Representative Emily Alvarado, prime sponsor; Dan Wise, Tony Bowie, and Babs Roberts, Department of Social and Health Services; Melanie Smith, Seattle and King County Coalition on Homelessness; Gian Mitchell, Washington Low Income Housing Alliance; Kathleen Knutsen, Kitsap and Thurston County Housing and Essential Needs; Lianna Kressin, Statewide Poverty Action Network; Dawnetta Sparks; and Eric Penar.

**Persons Testifying (Appropriations):** Alex Hur, Statewide Poverty Action Network; Michele Thomas, Washington Low Income Housing Alliance; and Babs Roberts, Department of Social and Health Services.

**Persons Signed In To Testify But Not Testifying (Human Services, Youth, & Early Learning):** None.

**Persons Signed In To Testify But Not Testifying (Appropriations):** None.