

# HOUSE BILL REPORT

## HB 1263

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**As Reported by House Committee On:**  
Early Learning & Human Services

**Title:** An act relating to updating eligible uses for the essential needs and housing support program.

**Brief Description:** Updating eligible uses for the essential needs and housing support program.

**Sponsors:** Representatives Cortes, Low, Peterson, Doglio, Street, Leavitt, Ryu, Davis, Obras, Reed, Goodman, Ormsby, Tharinger, Scott, Nance, Eslick, Kloba, Timmons, Pollet, Macri, Fey and Hill; by request of Department of Commerce.

**Brief History:**

**Committee Activity:**

Early Learning & Human Services: 1/22/25, 1/31/25 [DPS].

**Brief Summary of Substitute Bill**

- Authorizes the Department of Commerce to use Essential Needs and Housing program (HEN) funding to support low- or extremely low-income elderly or disabled adults who are transitioning off HEN, are receiving federal benefits, and still have an immediate housing need.
- Allows benefits under the HEN program to be provided in the form of direct cash assistance.
- Requires the administration rate for HEN support entities to align with the rate for other programs funded through the Home Security Fund.
- Modifies the frequency with which HEN support agencies reverify client eligibility for the program from every three months to annually.

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**HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES**

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass.

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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.*

Signed by 11 members: Representatives Bergquist, Chair; Cortes, Vice Chair; Eslick, Ranking Minority Member; Burnett, Assistant Ranking Minority Member; Bernbaum, Dent, Goodman, Hill, Ortiz-Self, Penner and Taylor.

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

**Background:**

Essential Needs and Housing Program.

The Essential Needs and Housing (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. The Department of Social and Health Services determines eligibility for a referral to the HEN program. The HEN program is administered by the Department of Commerce (Commerce).

Persons are eligible for a referral to the HEN program when they:

- have been determined to be eligible for the Pregnant Women's Assistance (PWA) program, the Aged, Blind, or Disabled 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, a lawful permanent resident residing in the United States under color of law, or 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 and \$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.

Benefits provided under the HEN program cannot be provided to recipients in the form of cash assistance. No more than 7 percent of funds may be used by HEN support agencies for administrative expenses. Commerce requires HEN support agencies to reverify client eligibility for the program every three months.

Housing Needs Pilot Program.

In 2020 funding was appropriated in the state operating budget for a pilot program to address the immediate housing needs of low- or extremely low-income elderly or disabled adults receiving federal Supplemental Security Income, Social Security Disability Insurance, or Social Security Retirement Income benefits who had an immediate housing need and lived in King, Snohomish, Thurston, Kitsap, Pierce, or Clark counties. In the state operating budget's HEN program appropriation for the subsequent biennium, Commerce was given authorization to use a portion of the funds to continue the pilot program. Commerce allows a 15 percent administrative rate for grantees managing programs funded

through the Home Security Fund.

Home Security Fund.

A portion of county document recording surcharges are deposited into the Home Security Fund. Commerce uses moneys in the Home Security Fund to manage homelessness assistance grant programs providing services such as rental assistance, emergency housing and shelter support, and other housing-related assistance services.

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**Summary of Substitute Bill:**

The Department of Commerce may, in its discretion, use Essential Needs and Housing (HEN) program funds to support low- or extremely low-income elderly or disabled adults who are transitioning off HEN program benefits, are receiving federal Social Security benefits or similar federal assistance, and still have an immediate housing need. A referral from the Department of Social and Health Services is not required for these individuals.

Assistance through the HEN program may be in the form of direct cash assistance.

The administrative rate for HEN support entities must align with the rate for programs funded through the Home Security Fund. Client eligibility for a HEN referral must be reverified by HEN support entities on an annual basis.

**Substitute Bill Compared to Original Bill:**

The criteria for the expanded authorization to use Essential Needs and Housing (HEN) program funds for people transitioning off of HEN and on to federal benefits is modified to include those receiving "federal Social Security benefits or similar federal assistance" rather than "Social Security disability benefits." The provision granting authority to provide benefits in the form of direct cash assistance under the Home Security Fund is removed. Support entities for the HEN program must verify program eligibility on an annual basis.

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**Appropriation:** None.

**Fiscal Note:** Requested on January 14, 2025.

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

**Staff Summary of Public Testimony:**

(In support) This bill will not require increased funding; it simply offers flexibility by expanding the allowable uses of the Essential Needs and Housing (HEN) program. Currently when a HEN client is enrolled in federal disability benefits they lose HEN eligibility; under this proposal, HEN support would still be available to assist with housing when federal benefits are insufficient. It can take years to enroll in federal benefits, so the HEN program serves as a bridge. However, federal benefits are much lower than the current average rent. This model is currently in place as a six county pilot, and is designed to avoid the destabilizing effects of homelessness. It is important to continue to support those with federal benefits and a need for housing stability, but it is also important to not have this support result in reduced services for other HEN-eligible individuals.

The bill also aligns administration rates with other programs, which allows for contracting to be more streamlined and for management of funds to be more effective. The increased rate will support the essential workers who support these programs. Direct cash assistance is a proven best practice that offers flexibility in addressing needs. Currently, support entities will have to stockpile items like toilet paper, which is administratively burdensome and inefficient. It would just be easier to give someone money to buy their own items. Low income people are very good at budgeting. An amendment should be made to require HEN eligibility checks annually as opposed to the current requirement, which is every three months. It is difficult to persuade landlords to rent to people on a short timeline. Reducing the checks would also ease administrative burden on HEN support entities.

(Opposed) None.

**Persons Testifying:** Representative Julio Cortes, prime sponsor; Erin Maguire, Catholic Community Services, HEN King County Program; Nick Federici, Washington Low Income Housing Alliance; and Tedd Kelleher, WA Commerce, Acting Assistant Director, Housing Division.

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