

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2082 HB	<b>Title:</b> Disability lifeline program
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## Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Administrative Hearings	Non-zero but indeterminate cost. Please see discussion."					
<b>Total \$</b>	0	0	0	0	0	0

## Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Commerce	3.3	83,235,000	83,235,000	3.3	98,056,000	98,056,000	3.3	98,056,000	98,056,000
Office of Administrative Hearings	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Social and Health Services	Fiscal note not available								
<b>Total</b>	3.3	\$83,235,000	\$83,235,000	3.3	\$98,056,000	\$98,056,000	3.3	\$98,056,000	\$98,056,000

Local Gov. Courts *									
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Total									

## Estimated Capital Budget Impact

NONE

<b>Prepared by:</b> Sandi Triggs, OFM	<b>Phone:</b> (360) 902-0553	<b>Date Published:</b> Preliminary
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID 30201

FNS029 Multi Agency rollup

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2082 HB	<b>Title:</b> Disability lifeline program	<b>Agency:</b> 103-Department of Commerce
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	3.3	3.3	3.3	3.3	3.3
<b>Account</b>					
General Fund-State 001-1	34,207,000	49,028,000	83,235,000	98,056,000	98,056,000
<b>Total \$</b>	34,207,000	49,028,000	83,235,000	98,056,000	98,056,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Melissa Palmer	Phone: 360-786-7388	Date: 04/14/2011
Agency Preparation: Tedd Kelleher	Phone: 360-725-2930	Date: 04/19/2011
Agency Approval: Connie Shumate	Phone: 725-2911	Date: 04/19/2011
OFM Review: Tristan Wise	Phone: (360) 902-0538	Date: 04/19/2011

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## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Sections 3 and 4 create a Disability Lifeline Essential Needs and Housing Support Program. The Department of Commerce is required to designate organizations that are eligible to provide essential needs and housing support to clients in each county. Grantee organizations receive funds from Commerce based on a formula to provide housing and essential needs to clients determined to be eligible by the Department of Social and Health Services (DSHS). Between 10 and 15 percent of the funds would be used to fund essential needs, and the balance would be used for housing costs. The determination by DSHS that an individual is eligible to receive essential needs or housing support from this program does not constitute an entitlement to that support. Grantees that provide housing assistance would be required to enter client data into the state Homeless Management Information System (HMIS). Commerce and DSHS would be required to annually submit a report to the Legislature regarding the housing status of those determined to be eligible for assistance by DSHS, and the use of funds for administration and services.

Section 5 requires DSHS and Commerce to develop a mechanism for local grantees to verify the eligibility of people for essential needs and housing support.

### II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

None

### II. C - Expenditures

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Sections 3-5

ASSUMPTIONS: For the purposes of estimating administrative costs, Commerce assumes \$83.2 million per biennium for the Essential Needs and Housing Support program, as proposed in ESHB 1087. Commerce estimates that this level of funding would provide housing assistance to approximately 7,800 to 17,200 people per month. Between 900 and 2,000 new people would begin receiving assistance each month as 900 to 2,000 previously on assistance left the program.

Approximately 80 staff in grantee organizations would have to be trained and provided ongoing support to enter client information into the state HMIS, and the volume of data in the HMIS would increase at least 25 percent. State and local administrative burden would be reduced by not requiring inspections of the housing being subsidized, calculating allowable rent burdens, or providing case management. In most counties Commerce would designate a single entity as to be both the essential needs provider and the housing provider. In almost all communities the grantee organization that receives existing emergency shelter and transitional housing funds would also administer the new Disability Lifeline funds,

and the funds would be consolidated into a single contract, with separate budget line items and program policies governing the use of the Disability Lifeline funds.

Commerce estimates 1.0 FTE Commerce Specialist 3 to implement new program procedures, process grants to local organizations, and audit expenditures in the two separate components of the program.

Commerce estimates 2.0 FTE Commerce Specialist 2 for training new users on how to use the basic HMIS database and how to interact with the eligibility determination procedures, providing ongoing phone support, auditing eligibility, developing and coordinating linkages between Commerce and DSHS to determine eligibility, reviewing data for quality issues, following up with end-users to resolve quality problems, and assembling data for the required reporting.

#### FTE Salary and Benefits

FY12-17: \$231,687 each fiscal year

#### Personal Services Contracts

FY 12-17: \$41,000 each fiscal year to cover the additional user licenses and increased issues resolution requests to the vendor would increase the annual HMIS vendor contract.

#### Goods and Services (G&S)

FY12-17: \$101,286 each fiscal year

-standard G&S: \$87,037

-space and utilities: \$14,249

Note: Standard goods and services costs include supplies and materials, employee development and training, mandatory state seat of government and Department of Personnel charges, and Commerce agency administration. Commerce administration provides general standard governmental services including, but not limited to: budgeting, accounting, payroll, and purchasing services; personnel and employee services; internal information technology systems, desktop and networking support services; facilities management services; public affairs services; policy and risk management services; and other support services.

#### Grants, Benefits and Client Services

FY12: \$33,833,027

FY 13-17: \$48,654,027 each fiscal year

#### Summary of Cost

FY12: \$34,207,000

FY13-17: \$49,028,000 each fiscal year

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	3.3	3.3	3.3	3.3	3.3
A-Salaries and Wages	176,412	176,412	352,824	352,824	352,824
B-Employee Benefits	55,275	55,275	110,550	110,550	110,550
C-Personal Service Contracts	41,000	41,000	82,000	82,000	82,000
E-Goods and Services	101,286	101,286	202,572	202,572	202,572
N-Grants, Benefits & Client Services	33,833,027	48,654,027	82,487,054	97,308,054	97,308,054
<b>Total:</b>	<b>\$34,207,000</b>	<b>\$49,028,000</b>	<b>\$83,235,000</b>	<b>\$98,056,000</b>	<b>\$98,056,000</b>

**III. B - Detail:** List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2012	FY 2013	2011-13	2013-15	2015-17
Commerce Specialist 2	55,836	2.0	2.0	2.0	2.0	2.0
Commerce Specialist 3	64,740	1.0	1.0	1.0	1.0	1.0
Various Administrative Services	55,478	0.3	0.3	0.3	0.3	0.3
<b>Total FTE's</b>	<b>176,054</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>

### III. C - Expenditures By Program (optional)

Program	FY 2012	FY 2013	2011-13	2013-15	2015-17
Agency Administration (100)	81,090	81,090	162,180	162,180	162,180
Community Services and Housing (3A0)	34,125,910	48,946,910	83,072,820	97,893,820	97,893,820
<b>Total \$</b>	<b>34,207,000</b>	<b>49,028,000</b>	<b>83,235,000</b>	<b>98,056,000</b>	<b>98,056,000</b>

## Part IV: Capital Budget Impact

NONE

## Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2082 HB	<b>Title:</b> Disability lifeline program	<b>Agency:</b> 110-Office of Administrative Hearings
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Melissa Palmer	Phone: 360-786-7388	Date: 04/14/2011
Agency Preparation:	Jane Habegger	Phone: 360-753-4625	Date: 04/19/2011
Agency Approval:	Virgil Sweeney	Phone: 360-586-4949	Date: 04/19/2011
OFM Review:	Diamatris Winston	Phone: (360) 902-7657	Date: 04/21/2011

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## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

#### (1) Sec. 2 - DLX eligibility - Effective 10-1-11

This section changes the standard for eligibility for the Disability Lifeline Expedited Program (DLX) to clearly state that the determination is whether the applicant is likely to meet the federal supplemental security income (SSI) standards.

In doing so, the DSHS is directed to consider:

- The cumulative impacts of an applicant's multiple impairments,
- Applicant's age,
- Applicant's vocational and educational history.
- The DSHS need not duplicate the federal SSI regulations.

#### (2) Sec. 3 - DL "essential needs" and "housing support program" Effective 10-1-11

- For current "regular" DL clients—in lieu of cash, provides for essential needs and housing assistance, defined in Section 7 which amends RCW 74.04.005(8) and (9).

- The DSHS is directed to adopt in rules the medical criteria for incapacity determinations.

Not clear as Section 3(3)(a) provides that DSHS must adopt rules with medical criteria for incapacity determinations.

- Hearings involve whether someone qualifies, including under (2) circumstances in which they do not qualify.
- Beginning July 1, 2011, and annually thereafter, DSHS must review all cases of persons who received benefits for 12 months, to determine whether they meet DLX criteria.

Because we have not received data from the DSHS indicating how many DL clients they estimate they will determine do not qualify for DLX benefits under these case reviews, we are not able to quantify the possible hearing impacts to our agency.

#### (3) Sec. 4 - Grants to Local Governments and Community Based Organizations for Essential Needs and Housing Support-Eff. 10-1-11

- WA Dept. of Commerce (Commerce) distributes funds
- 1st distribution must be complete by August 1, 2011.
- Commerce creates formula for biennial distribution
- For each county, Commerce must designate an "essential needs support entity" and a housing support entity" that will begin offering these on October 1, 2011.
- Housing may be used: to obtain heat, electricity and water.
- Essential Services and housing cannot be provided in the form of cash
- Commerce, counties and entities providing essential needs and housing support are not civilly or criminally liable for their decisions and may not have any penalty or cause of action arise against them for their decisions related to housing or essential needs.

However, "nothing in this section prohibits legal actions against the department, a county or an essential needs or housing support entity to enforce that entity's statutory or contractual duties or obligations." Sec. 4(8).

#### (4) Sec. 5 - Commerce and DSHS Verification

Commerce, in collaboration with DSHS, must develop mechanism to verify eligibility for housing and essential needs

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support.

If there is a right to a hearing to challenge the decisions to grant or deny housing and essential needs support, the Office of Administrative Hearings assumes that we will receive new appeals under this section. The number of appeals anticipated is indeterminate. If the OAH is required to handle these appeals from up to 2 entities providing housing support and essential needs support in each of the 39 counties, this could involve billing and participation of up to 78 entities. This is a much more complex arrangement than dealing with one state agency, the DSHS, for current DL hearings. We anticipate that such a process would not be as efficient as one in which we work with a single designated hearing entity.

(5) Sec. 6 - Medical Care for DL Recipients

Effective October 1, 2011, enrollment in medical care services for DL recipients may not cause expenditures which exceed appropriation in operating budget.

(6) Sec. 7 - repeals most of Security Lifeline Act of 2010 and adds new language—Effective immediately when enacted under Emergency Clause—please note: gap between this date and October 1, 2011 effective date of sections 2, 3 and 4

- Repeals most of Security Lifeline Act of 2010- including 24 month time limits and case review for DLX using federal SSI law.
- Defines “essential needs support” as “personal health and hygiene items, cleaning supplies” and other related items.
- Defines “housing support” as “assistance to maintain existing or obtain housing by a county-designated housing support entity...”.

(7) Sec. 8 - preserves hearings under Security Lifeline Act of 2010 which were filed prior to the effective date of this law.

(8) Sec. 9 - Duties of Commerce and DSHS

Commerce and DSHS must implement sections 2, 3 and 4 by October 1, 2011, within funding provided in operating budget.

(9) Sec. 10 - Sec. 2, 3 and 4 are effective October 1, 2011.

(10) Sec. 11 - Disability Lifeline Housing Voucher Program statute from Security Lifeline Act of 2010 is repealed.

(11) Sec. 13 - Emergency Clause—act takes effect immediately if enacted except sections 2, 3 and 4 which take effect October 1, 2011.

**II. B - Cash receipts Impact**

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Because we have not received data from the DSHS indicating how many DL clients they estimate they will determine do not qualify for DLX benefits under these case reviews, we are not able to quantify the possible hearing impacts to our agency.

**II. C - Expenditures**



*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Because we have not received data from the DSHS indicating how many DL clients they estimate they will determine do not qualify for DLX benefits under these case reviews, we are not able to quantify the possible hearing impacts to our agency.

### **Part III: Expenditure Detail**

### **Part IV: Capital Budget Impact**

NONE

### **Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

<b>Bill Number:</b> 2082 HB	<b>Title:</b> Disability lifeline program
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## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- ☐ Cities:
- ☒ Counties: Staff costs for those counties which are designated to provide services; indeterminate revenue based on the projected caseload per county.
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

## Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: Number of disability lifeline unemployable clients who will qualify for the program; number of counties designated to receive funding and provide services.

### Estimated revenue impacts to:

<b>Indeterminate Impact</b>
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### Estimated expenditure impacts to:

<b>Indeterminate Impact</b>
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## Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 04/25/2011
Leg. Committee Contact: Melissa Palmer	Phone: 360-786-7388	Date: 04/14/2011
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 04/25/2011
OFM Review: Sandi Triggs	Phone: (360) 902-0553	Date: 04/26/2011

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.*

Section 1 states legislative intent.

Section 2 adds a new section to RCW 74.04 to establish the Disability Lifeline expedited and aged, blind, and disabled programs.

Section 3 adds a new section to RCW 74.04 to establish the Disability Lifeline essential needs and housing support program.

Section 4 adds a new section to RCW 43.185C to describe grants to local governments and community-based organizations for essential needs and housing support. The funding provided for Oct. 1, 2011 through June, 2013 shall be based on the projected disability lifeline caseload. In subsequent fiscal biennia, the total funding for the program shall be adjusted to reflect changes in the caseload of individuals eligible for the program in accordance with section 3 of this act. The distribution to the designated entities within a county shall be proportional to the county's share of the estimated caseload in accordance with this section. Between 10 and 15 percent of the funds appropriated may be allocated for essential needs support. For each county, the Dept. of Commerce shall designate an essential needs support entity and a housing support entity that will begin providing funds on Oct. 1, 2011. Each essential needs and housing support entity must use funds distributed under this section as flexibly as is practicable to provide support to the greatest number of disability lifeline essential needs and housing support recipients. 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. Commerce shall require housing support entities to enter data into the homeless client management information system.

Section 5 states that Commerce and the Department of Social and Health Services (DSHS) shall develop a mechanism through which the department and local governments or community-based organizations can verify a person's eligibility for the disability lifeline essential needs and housing support program.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.*

The bill would have an indeterminate expenditure impact for local government.

The bill directs the Dept. of Commerce to designate a local government or community-based organization to provide essential needs and housing support for each county. It is not known how many local governments would be designated, nor is it clear to what degree a local government could opt out of the program if it was selected.

Local governments and organizations selected will receive funding based on the projected disability lifeline caseload. Between 10 and 15 percent of the funds appropriated may be allocated for essential needs support. Each essential needs and housing support entity must use funds distributed under this section as flexibly as is practicable to provide support to the greatest number of disability lifeline essential needs and housing support recipients. Local governments and organizations 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. Commerce shall require housing support entities to verify a person's eligibility and enter data into the homeless client management information system.

The work involved in carrying out these tasks will vary depending on the size of a county's disability lifeline caseload, the extent to which other public and private organizations are available and willing to partner and supply additional funds, and the process to verify a person's eligibility for the program, which will be developed by Commerce and DSHS.

The Local Government Fiscal Note (LGFN) program assumes that the designated local government or organization would retain a certain portion of the funding to cover program management and administration. However, it is not known what percentage will be allowable for these staff and program costs.

### **C. SUMMARY OF REVENUE IMPACTS**

*Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.*

The bill directs the Dept. of Commerce to designate either a local government or community-based organization to provide essential needs and housing support for each county. It is not known how many local governments would be designated and receive funding. It is also not known what percentage of funding could be retained to cover administration expenses. Therefore, the total revenue impact is indeterminate.

#### **SOURCES**

The Department of Commerce

