

Individual State Agency Fiscal Note

Bill Number: 5480 SB	Title: Work-limiting disability	Agency: 300-Department of Social and Health Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	(2.5)	(2.6)	(2.6)	(2.6)	(2.6)
Account					
General Fund-State 001-1	17,522,000	21,997,000	39,519,000	47,076,000	45,760,000
Total \$	17,522,000	21,997,000	39,519,000	47,076,000	45,760,000

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, and alternate ranges (if appropriate), are explained in Part II.

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.

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Part II: Narrative Explanation

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

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

This bill removes the Interim Assistance Reimbursement (IAR) requirement for recipients of the Aged, Blind, or Disabled (ABD) cash assistance program. Section 4 requires that Washington state will no longer garnish any portion of an ABD client's initial Supplemental Security Income (SSI) lump sum payment in order to reimburse the state for months where retroactive SSI and ABD cash payments overlap, effective October 1, 2023.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

No cash receipts.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

To estimate the amount of SSI grant dollars no longer subject to recovery as stipulated in Section 4 of this bill, monthly pending SSI caseloads were first multiplied by the per capita grant amount of \$406.14 to calculate total monthly payments, then total payment amounts per month were multiplied by a standard recovery rate of 27.5 percent for months in FY 2024 and FY 2026, and 25.5 percent for months in FY 2025 and FY 2027.

ESA estimates Section 4 will eliminate \$17,400,000 of SSI recovery in Fiscal Year (FY) 2024; \$21,047,000 of SSI recovery will be eliminated in FY 2025; \$22,699,000 of SSI recovery will be eliminated in FY 2026; \$21,048,000 of SSI recovery will be eliminated in FY 2027 and beyond.

ESA anticipates ABD and pending SSI cases that would otherwise be closed due to no Interim Assistance Reimbursement Agreement (IARA) would return to each respective caseload. To estimate the associated fiscal impact, the number of monthly cases projected to be closed due to no IARA were multiplied by the per capita grant amounts to calculate total monthly payments. Monthly per capita grant amounts are calculated to be \$406.14 for SSI cases, and \$346.57 for ABD cases.

Increased caseload costs for ABD-Aged, ABD-Blind, and ABD-Disabled cases are estimated to be \$16,000 in FY 2024; \$60,000 in FY 2025; \$94,000 in FY 2026; \$121,000 in FY 2027 and beyond.

Increased caseload costs for ABD-Presumptive SSI cases are estimated to be \$343,000 in FY 2024; \$1,170,000 in FY 2025; \$1,683,000 in FY 2026; \$1,991,000 in FY 2027 and beyond.

Caseload impacts and associated costs are based on ESA's November 2022 forecast. Fiscal impact estimates will be updated upon completion of ESA's February 2023 forecast.

DSHS Technology Innovation Administration (TIA) anticipates impact associated with changes to SSI tracking screens, incapacity screen, case plan screen, 14-118 screen, social services Intake, and letters in Barcode. TIA-ESA anticipates minor to moderate Barcode impacts. Assuming TIA-ESA begins work July 1, 2023, automation support is anticipated be in place to meet the October 1, 2023 effective date.

TIA estimates fiscal impact associated with this work to be 0.1 FTE and \$23,000 in FY 2024.

DSHS Community Services Division (CSD) anticipates administrative savings due to decreased staff time, printing, and postage costs that would otherwise be incurred, associated with IARA collection and processing.

Assuming touch times of 5 minutes for explaining IARA and obtaining client signatures, 10 minutes for tracking receipt of IARA from the Social Security Administration (SSA), 2 minutes for processing each IARA document, 15 minutes for processing case closures, and 1.5 hours per business day of related work in the Hub Imaging Unit (HIU), CSD estimates savings of (2.6) FTE and (\$253,000) in FY 2024, and (2.6) FTE and (\$273,000) in FY 2025 and beyond.

Assuming 27,514 total pages would be printed for IARA signatures, cover letters, good cause closure letters, and termination letters, at a cost of \$0.10 per page, CSD estimates savings related to printing costs of (\$3,000) in FY 2024 and beyond.

Assuming 7,226 total mailings would be sent for IARA signatures, submission to SSA, good cause closure letters, and termination letters, at a cost of \$0.58 per mailing, CSD estimates savings related to mailing costs of (\$4,000) in FY 2024 and beyond.

Total fiscal impact per FY is estimated to be:

- FY 2024: \$17,522,000 and (2.5) FTE
 - \$17,759,000 client service costs
 - (\$260,000) and (2.6) FTE administrative cost savings
 - \$23,000 and 0.1 FTE IT implementation costs
- FY 2025: \$21,997,000 and (2.6) FTE
 - \$22,277,000 client service costs
 - (\$280,000) and (2.6) FTE administrative cost savings
- FY 2026: \$24,196,000 and (2.6) FTE
 - \$24,476,000 client service costs
 - (\$280,000) and (2.6) FTE administrative cost savings
- FY 2027: \$22,880,000 and (2.6) FTE
 - \$23,160,000 client service costs
 - (\$280,000) and (2.6) FTE administrative cost savings

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	17,522,000	21,997,000	39,519,000	47,076,000	45,760,000
Total \$			17,522,000	21,997,000	39,519,000	47,076,000	45,760,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	(2.5)	(2.6)	(2.6)	(2.6)	(2.6)
A-Salaries and Wages	(149,000)	(166,000)	(315,000)	(332,000)	(332,000)
B-Employee Benefits	(63,000)	(87,000)	(150,000)	(174,000)	(174,000)
C-Professional Service Contracts					
E-Goods and Other Services	(22,000)	(23,000)	(45,000)	(46,000)	(46,000)
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	17,759,000	22,277,000	40,036,000	47,636,000	46,320,000
P-Debt Service	(1,000)	(1,000)	(2,000)	(2,000)	(2,000)
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-TZ ISSD	(2,000)	(3,000)	(5,000)	(6,000)	(6,000)
Total \$	17,522,000	21,997,000	39,519,000	47,076,000	45,760,000

III. C - Operating FTE 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 2024	FY 2025	2023-25	2025-27	2027-29
FORMS & RECORDS ANALYST 3	53,104	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
IT APP DEVELOPMENT - SENIOR SPECIALIST	118,721	0.1		0.1		
SOCIAL SERVICE SPECIALIST 2	64,787	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Total FTEs		(2.5)	(2.6)	(2.6)	(2.6)	(2.6)

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

WAC changes will be required to implement Section 1 and Section 4 of this bill, including but not limited to WAC sections 388-449-0225 and 388-449-0210.