

Multiple Agency Fiscal Note Summary

Bill Number: 1447 S HB	Title: Assistance programs
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Social and Health Services	0	0	877,000	0	0	2,512,000	0	0	2,512,000
Total \$	0	0	877,000	0	0	2,512,000	0	0	2,512,000

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	Fiscal note not available											
Washington State Health Care Authority	Fiscal note not available											
Department of Social and Health Services	2.8	26,645,000	26,645,000	27,522,000	5.2	61,009,000	61,009,000	63,521,000	5.1	60,670,000	60,670,000	63,182,000
Department of Children, Youth, and Families	Fiscal note not available											
Total \$	2.8	26,645,000	26,645,000	27,522,000	5.2	61,009,000	61,009,000	63,521,000	5.1	60,670,000	60,670,000	63,182,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	Fiscal note not available								
Washington State Health Care Authority	Fiscal note not available								
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Children, Youth, and Families	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Preliminary 2/20/2023
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Individual State Agency Fiscal Note

Revised

Bill Number: 1447 S HB	Title: Assistance programs	Agency: 300-Department of Social and Health Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-Federal 001-2		877,000	877,000	2,512,000	2,512,000
Total \$		877,000	877,000	2,512,000	2,512,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	4.2	2.8	5.2	5.1
Account					
General Fund-State 001-1	1,770,000	24,875,000	26,645,000	61,009,000	60,670,000
General Fund-Federal 001-2	0	877,000	877,000	2,512,000	2,512,000
Total \$	1,770,000	25,752,000	27,522,000	63,521,000	63,182,000

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.

Legislative Contact: Omeara Harrington	Phone: 360-786-7136	Date: 02/09/2023
Agency Preparation: Seth Nathan	Phone: 360-902-0001	Date: 02/20/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 02/20/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/20/2023

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.

SHB 1447 relates to strengthening the ability of assistance programs to meet foundational needs of children, adults, and families.

Section 1 eliminates the \$10,000 limit on cash assistance program applicants' used motor vehicle value; expands exemptions to resources that can be applied toward meeting cash assistance program applicants' needs, to include retirement funds, pension plans, and retirement accounts; increases the asset limit for other exempt resources from \$6,000 to \$25,000. This section becomes effective February 1, 2024.

Sections 2 and 3 eliminate the requirement for the Department of Social and Health Services (DSHS) to adopt regulations to apply the 60-month time limit to households receiving Temporary Assistance for Needy Families (TANF) cash assistance, in which a parent is in the home and ineligible for TANF. Section 2 takes effect July 1, 2023 and expires January 1, 2024; Section 3 becomes effective January 1, 2024.

Section 5 allows eligible households on cash assistance to keep 100 percent of new earnings for up to six months of new employment; after six consecutive months, the department may only disregard one-half of families' earnings during every month it is eligible to receive assistance. This section also requires that families with gross income exceeding 200 percent of the federal poverty level (FPL) are not eligible for TANF assistance. Section 5 becomes effective August 1, 2024.

Section 7 amends language regarding good cause for TANF recipients to be exempt from WorkFirst activity requirements in RCW 74.08A.270, to include situations in which recipients are experiencing a hardship as defined by the department in rule

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.

Cash receipts anticipated, estimated to be:

- \$877,000 in FY 2025
- \$1,256,000 in FY 2026 and beyond

Federal dollars earned will be 001-2 Federal - Other.

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.

Estimated caseload impacts and associated costs are based on the DSHS Economic Services Administration (ESA) November 2022 forecast. Fiscal impact estimates will be updated upon completion of ESA's February 2023 forecast.

Section 1 of this bill increases asset limits and exemptions for cash assistance programs. ESA calculates average estimated monthly caseload increases of 271 TANF cases and 179 ABD cases in the 2023-2025 Biennium (BI 23-25), and 566 TANF cases and 394 ABD cases in the 2025-2027 Biennium (BI 25-27), to estimate total increases in client assistance. ESA estimates that the increased caseload will require additional resources to perform required eligibility, case management, and social services work. DSHS Technology Innovation Administration (TIA) estimates additional resources will be needed to implement required system updates in Fiscal Year (FY) 2024. Assuming an effective date of February 1, 2024, ESA estimates the following fiscal impact:

- FY 2024: \$1,015,000 and 0.8 FTE
 - \$34,000 and 0.2 FTE TIA implementation costs
 - \$65,000 Information Technology (IT) contractor implementation costs
 - \$82,000 and 0.6 FTE administrative and social services costs
 - \$834,000 client service costs
- FY 2025: \$5,726,000 and 2.2 FTE
 - \$255,000 and 2.2 FTE administrative and social services costs
 - \$5,471,000 client service costs
- FY 2026: \$8,073,000 and 2.7 FTE
 - \$303,000 and 2.7 FTE administrative and social services costs
 - \$7,770,000 client service costs
- FY 2027 and beyond: \$8,227,000 and 2.7 FTE
 - \$303,000 and 2.7 FTE administrative and social services costs
 - \$7,924,000 client service costs

Provisions in Section 1 are also applicable to the Refugee Cash Assistance (RCA) and Pregnant Women Assistance (PWA) programs. ESA estimates minimal caseload impact to both programs, and anticipates associated expenditure impacts will be picked up in the forecast cycle for the 2024 Supplemental budget.

Sections 2 and 3 eliminate the statutory requirement to apply the 60-month time limit to households in which a parent is in the home but ineligible for TANF assistance. ESA calculates an average estimated monthly caseload increase of 97 TANF cases in BI 23-25 and 149 TANF cases BI 25-27 to estimate total increases in client assistance. ESA estimates that the increased caseload will require additional resources to perform required eligibility and social services work. TIA estimates associated workload increases to be immaterial, and able to be absorbed within existing resources. Assuming an effective date of July 1, 2023 for Section 2, and an effective date of January 1, 2024 for Section 3, ESA estimates the following fiscal impact:

- FY 2024: \$386,000 and 0.1 FTE
 - \$10,000 and 0.1 FTE social services costs
 - \$376,000 client service costs
- FY 2025: \$723,000 and 0.1 FTE
 - \$10,000 and 0.1 FTE social services costs
 - \$713,000 client service costs
- FY 2026: \$842,000 and 0.2 FTE
 - \$20,000 and 0.2 FTE social services costs
 - \$822,000 client service costs
- FY 2027 and beyond: \$877,000 and 0.2 FTE
 - \$20,000 and 0.2 FTE social services costs
 - \$857,000 client service costs

Section 5 allows eligible households on cash assistance to keep 100 percent of new earnings for up to six months of new employment, after which the department may only disregard one-half of the family's earnings during every month it is eligible to receive assistance. This section also sets a cap on earned income disregarded at 200 percent of the federal poverty level (FPL).

As written, Section 5 is in conflict with RCW 74.04.266, which limits earnings disregards for the ABD program to not exceed the exemption allowable under disability programs authorized in Title XVI of the federal social security act. Therefore, no fiscal impact to the ABD program is estimated in this fiscal note. The department has provided a letter to the legislature requesting that this bill includes a section repealing the conflicting RCW.

ESA calculates an average estimated monthly caseload increase of 2,755 TANF cases and 207 RCA cases in FY 2025, and 2,946 TANF cases and 271 RCA cases in BI 25-27 to estimate total increases in client assistance. ESA estimates additional resources will be needed to perform required eligibility, case management, and social services work. TIA estimates additional resources will be needed to implement required system updates. This fiscal note assumes that current maximum monthly payment standards are applied following the 6-month 100 percent disregard period. Assuming an effective date of August 1, 2024, ESA estimates the following fiscal impact:

- FY 2024: \$369,000 and 0.4 FTE
 - \$63,000 and 0.4 FTE TIA implementation costs
 - \$306,000 IT contractor implementation costs
- FY 2025: \$19,303,000 and 1.9 FTE
 - \$194,000 and 1.9 FTE social services costs
 - \$18,232,000 client service costs
 - \$877,000 federal funds for RCA program grants
- FY 2026: \$23,015,000 and 2.3 FTE
 - \$229,000 and 2.3 FTE social services costs
 - \$21,530,000 client service costs
 - \$1,256,000 federal funds for RCA program grants
- FY 2027 and beyond: \$22,487,000 and 2.2 FTE
 - \$219,000 and 2.2 FTE social services costs
 - \$21,012,000 client service costs
 - \$1,256,000 federal funds for RCA program grants

Provisions in Section 5 are also applicable to the Refugee Cash Assistance (RCA) and Pregnant Women Assistance (PWA) programs. ESA estimates minimal caseload impact to both programs, and anticipates associated expenditure impacts will be picked up in the forecast cycle for the 2024 Supplemental budget.

Section 5 will impact eligibility for Transitional Food Assistance (TFA), and therefore likely decrease Basic Food benefit amounts for eligible households, resulting in an overall decrease in federal Supplemental Nutrition Assistance Program (SNAP) and state-funded food assistance benefit utilization, and an increase in TANF and/or state-funded cash assistance program expenditures. The net impact is unable to be reasonably estimated at this time; this fiscal note assumes no fiscal impact associated with impacts to TFA eligibility.

Section 7 strengthens the language regarding good cause for a recipient of TANF to be exempt from WorkFirst activity requirements in RCW 74.08A.270. No associated fiscal impact is anticipated, as current policy and procedure provides exemption from WorkFirst activities for good cause.

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	1,770,000	24,875,000	26,645,000	61,009,000	60,670,000
001-2	General Fund	Federal	0	877,000	877,000	2,512,000	2,512,000
Total \$			1,770,000	25,752,000	27,522,000	63,521,000	63,182,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	4.2	2.8	5.2	5.1
A-Salaries and Wages	117,000	280,000	397,000	686,000	680,000
B-Employee Benefits	58,000	134,000	192,000	298,000	296,000
C-Professional Service Contracts	65,000		65,000		
E-Goods and Other Services	316,000	1,330,000	1,646,000	3,102,000	3,064,000
G-Travel		2,000	2,000	4,000	4,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	1,210,000	23,989,000	25,199,000	59,386,000	59,094,000
P-Debt Service		2,000	2,000	4,000	4,000
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	3,000	11,000	14,000	31,000	30,000
9-TZ-ISSD	1,000	4,000	5,000	10,000	10,000
Total \$	1,770,000	25,752,000	27,522,000	63,521,000	63,182,000

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
IT BUSINESS ANALYST - SENIOR SPECIALIST	113,059	0.1		0.1		
IT QUALITY ASSURANCE - SENIOR / SPECIALIST	113,059	0.5		0.3		
PUBLIC BENEFITS SPECIALIST 3	63,214	0.2	1.3	0.8	1.7	1.7
SOCIAL SERVICE SPECIALIST 3	78,900	0.3	0.7	0.5	0.8	0.8
WORKFIRST PROGRAM SPECIALIST	64,787	0.2	2.2	1.2	2.7	2.6
Total FTEs		1.3	4.2	2.8	5.2	5.1

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.

Changes would be needed for multiple WAC chapters, including emergency rule making.