Multiple Agency Fiscal Note Summary

Bill Number: 1260 E S HB	**Title:** Work-limiting disability

Estimated Cash Receipts

NONE

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	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Social and Health Services	(2.6)	57,783,000	57,783,000	57,783,000	(2.6)	60,681,000	60,681,000	60,681,000	(2.6)	61,537,000	61,537,000	61,537,000
Total $	**(2.6)**	**57,783,000**	**57,783,000**	**57,783,000**	**(2.6)**	**60,681,000**	**60,681,000**	**60,681,000**	**(2.6)**	**61,537,000**	**61,537,000**	**61,537,000**

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

Estimated Capital Budget Breakout

Prepared by: Anna Minor, OFM	**Phone:** (360) 790-2951	**Date Published:** Final 3/14/2023

FNPID 68132

Individual State Agency Fiscal Note

Bill Number: 1260 E S HB	Title: Work-limiting disability	Agency: 103-Department of Commerce

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:
NONE

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:	Alison Mendiola	Phone: 360-786-7488	Date: 03/02/2023
Agency Preparation:	Oliver Crain	Phone: 206-454-2200	Date: 03/08/2023
Agency Approval:	Jason Davidson	Phone: 360-725-5080	Date: 03/08/2023
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 03/09/2023

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.

Differences between ESHB 1260 and the original bill:

Removes Sec. 1 of the original bill.

ESHB 1260 Sec. 1(1)(d)(i) amends Sec. 2(1)(d)(i) of the original bill, requiring the standard set by DSHS not exceed 100% of the federal poverty level.

ESHB 1260 Sec. 1(3)(b) adds exceptions to the requirement that a prospective essential needs and housing beneficiary participate in substance use disorder treatment in the case that the person in question is providing care for a minor child or incapacitated individual, and child care would be necessary, but is not available, in order for them to attend the required treatment.

ESHB 1260 Sec. 3(3)(d) adds exceptions to the requirement that a prospective Aged, Blind, and Disabled beneficiary participate in substance use disorder treatment in the case that the person in question is providing care for a minor child or incapacitated individual, and child care would be necessary, but is not available, in order for them to attend the required treatment.

ESHB 1260 Sec. 4 adds language stating that if funding for the purposes of the act is not appropriated by June 30, 2023, in the omnibus appropriations bill, then this act would be null and void.

Summary of the original bill:

Sec. 1- requires Department of Social Health Services (DSHS) economic services administration (ESA) and DSHS vocational rehabilitation administration (VRA) to work jointly to maintain an ongoing assessment process to determine if clients receiving Aged, Blind & Disabled assistance (ABD), or housing and essential needs assistance (HEN) would also be eligible for VRA programs. Clients receiving HEN or ABD that are assessed by ESA as eligible would be offered a voluntary referral to VRA. The bill removes language requiring participation in VRA's programs as a condition of receiving continued ABD or HEN assistance or housing support.

Sec. 2- Adds language in some instances and removes similar but not identical language in a separate instance that allows clients receiving ABD benefits to also be eligible for HEN support. Removes a statutory requirement for maximum income allowable, and instead substitutes a standard established by DSHS. Provides qualifying language on what constitutes good cause to terminate a client's benefits if they do not participate in mandated substance use treatment, allowing for additional reasons not provided for within the statute.

Sec. 3- Removes language that required the repayment, as a state debt, of ABD benefits received after federal supplemental security benefits were approved for a dual ABD/SSI beneficiary.

Sec. 4- Adds language stating a prospective ABD client would be ineligible if already enrolled in supplemental security income (SSI), refugee cash assistance, temporary assistance for needy families, or state family assistance benefits. Provides language that states effective Oct. 1, 2023, dual enrollment in ABD and federal SSI and the receipt of benefits from both in the same period shall not constitute a debt due to the state and is not subject to recovery. Removes language prohibiting prospective pregnant women assistance (PWA) clients from also receiving federal aid assistance beyond basic food or medical assistance. Adds additional eligibility criteria for PWA for households that are ineligible for state family assistance. Provides qualifying language on what constitutes good cause to terminate a client's benefits if they do not participate in mandated substance use treatment, allowing for additional reasons not provided for within the statute.

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.

None.

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.

There is minimal impact to the department of commerce (department). The department activities stated in HB 1260 are already part of the normal operating procedures within the Housing and Essential Needs program.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

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

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.

Individual State Agency Fiscal Note

Bill Number: 1260 E S HB	Title: Work-limiting disability	Agency: 300-Department of Social and Health Services

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	29,229,000	28,554,000	57,783,000	60,681,000	61,537,000
Total $	29,229,000	28,554,000	57,783,000	60,681,000	61,537,000

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:	Alison Mendiola	Phone: 360-786-7488	Date: 03/02/2023
Agency Preparation:	Seth Nathan	Phone: 360-902-0001	Date: 03/14/2023
Agency Approval:	Dan Winkley	Phone: 360-902-8236	Date: 03/14/2023
OFM Review:	Anna Minor	Phone: (360) 790-2951	Date: 03/14/2023

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.

This bill removes the Interim Assistance Reimbursement (IAR) requirement for recipients of the Aged, Blind, or Disabled (ABD) cash assistance program. Section 3 requires that ABD clients' Supplemental Security Income (SSI) for months where retroactive SSI and ABD cash payments overlap will no longer be considered a debt due to the state, and not subject to recovery, 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.

Due to collection windows during which DSHS is able to recover SSI grant dollars, Section 3 of this bill as written would eliminate SSI grant dollar recovery both prospectively and retrospectively from the effective date of October 1, 2023. As the Fiscal Notes System only currently captures costs for future fiscal years (FYs), estimated fiscal impacts anticipated in FY 2023 are provided below, but not included in the cost details in this fiscal note.

To estimate the amount of SSI grant dollars no longer subject to recovery as required in Section 3, monthly pending SSI caseloads were first multiplied by the calculated monthly per capita grant amounts to calculate total monthly payments, then total payment amounts per month were multiplied by a standard recovery rate of 25.5 percent for months in FY 2023, 2025, and 2027, and 27.5 percent for months in FY 2024 and FY 2026. Because recoveries will continue to be made until the October 1, 2023 effective date, projected monthly recovery amounts for months preceding October 2023 were subtracted from the amount of projected monthly recovery eliminated, in order to calculate the net impact to recoveries for each month.

Assuming an effective date of October 1, 2023, ESA estimates Section 3 will eliminate the following amounts of SSI recovery per FY, noting retrospective impacts where applicable. All other impacts are prospective:

- FY 2023: $18,354,000
    - $23,473,000 SSI recovery eliminated (all retrospective impact)
    - ($5,119,000) continued SSI recovery projected

- FY 2024: $29,115,000
    - $29,313,000 SSI recovery eliminated ($7,052,000 retrospective impact)
    - ($198,000) continued SSI recovery projected

- FY 2025: $27,628,000
- FY 2026: $29,796,000
- FY 2027: $27,629,000

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 $398.46 for SSI cases, and $337.77 for ABD cases. ESA estimates increased caseload costs for ABD-Aged, ABD-Blind, and ABD-Disabled cases to be:

- FY 2024: $15,000
- FY 2025: $58,000
- FY 2026: $92,000
- FY 2027: $118,000

ESA estimates increased caseload costs for ABD-Presumptive SSI cases to be:

- FY 2024: $336,000
- FY 2025: $1,148,000
- FY 2026: $1,652,000
- FY 2027: $1,954,000

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 ($253,000) and (2.6) FTE in FY 2024, and ($273,000) and (2.6) FTE 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 2023: $18,354,000 client service costs

- FY 2024: $29,229,000 and (2.5) FTE
    - $29,466,000 client service costs
    - ($260,000) and (2.6) FTE administrative cost savings
    - $23,000 and 0.1 FTE IT implementation costs

- FY 2025: $28,554,000 and (2.6) FTE
    - $28,834,000 client service costs
    - ($280,000) and (2.6) FTE administrative cost savings

- FY 2026: $31,260,000 and (2.6) FTE
    - $31,540,000 client service costs
    - ($280,000) and (2.6) FTE administrative cost savings

- FY 2027: $29,421,000 and (2.6) FTE
    - $29,701,000 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	29,229,000	28,554,000	57,783,000	60,681,000	61,537,000
		Total $	29,229,000	28,554,000	57,783,000	60,681,000	61,537,000

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	29,466,000	28,834,000	58,300,000	61,241,000	62,097,000
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 $	29,229,000	28,554,000	57,783,000	60,681,000	61,537,000

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 3 of this bill, including but not limited to WAC sections 388-449-0225 and 388-449-0210.