

Multiple Agency Fiscal Note Summary

Bill Number: 1260 E S HB AMS HS S2275.2	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	.0	0	0	0	(2.6)	50,997,000	50,997,000	50,997,000	(2.6)	60,681,000	60,681,000	60,681,000
Total \$	0.0	0	0	0	(2.6)	50,997,000	50,997,000	50,997,000	(2.6)	60,681,000	60,681,000	60,681,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total

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 3/22/2023
-------------------------------------	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 1260 E S HB AM; HS S2275.2	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: Josh Hinman	Phone: 3607867281	Date: 03/17/2023
Agency Preparation: Oliver Crain	Phone: 206-454-2200	Date: 03/22/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 03/22/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/22/2023

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-S.E. AMS HS S2275.2 and the engrossed substituted house bill:

Changes related to the Department of Commerce ("department") do not increase the fiscal impact of this bill on the department.

1260-S.E. AMS HS S2275.2 adds Section (1) (7) requiring DSHS share client data for individuals eligible for essential needs and housing assistance with the department through an amendment to RCW 74.04.805.

1260-S.E. AMS HS S2275.2 amends Section (3)(1)(c) of the engrossed substitute house bill to eliminate the repayment requirement for individuals receiving both aged, blind and disabled (ABD) financial grants and supplemental security income (SSI) effective October 1, 2025. Prior to that date, ABD payments received by individuals concurrently receiving SSI benefits will be considered a debt due to the state, and subject to recovery.

Summary of the ESHB 1260-S.E. AMS HS S2275.2:

Section 1- Defines the role of DSHS in determining eligibility for essential needs and housing support (HEN), and further provides for eligibility criteria for who can receive a referral to HEN.

Section 2- Provides a description of the legislature's findings and intentions with regards to this proposed legislation.

Section 3- Describes the criteria for individuals to be eligible to receive financial grants through the aged, blind or disabled assistance program (ABD). Further describes the criteria for individuals to be eligible to receive assistance through the pregnant women assistance program (PWA). Requires that DSHS share client data for HEN eligible individuals with the department.

Section 4- If specific funding for the purposes of this act, is not appropriated by June 30, 2023, in the omnibus appropriations act, this act is null and void.

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 1260 ES HB AMS HS S2275.2 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 AM; HS S2275.2	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	0.0	0.0	0.0	(2.6)	(2.6)
Account					
General Fund-State 001-1	0	0	0	50,997,000	60,681,000
Total \$	0	0	0	50,997,000	60,681,000

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: Josh Hinman	Phone: 3607867281	Date: 03/17/2023
Agency Preparation: Seth Nathan	Phone: 360-902-0001	Date: 03/22/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 03/22/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 03/22/2023

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 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, 2025. However, overlapping payments received prior to October 1, 2025 shall be considered a debt due to the state, and will remain subject to recovery.

The amendments in this bill push the effective date back by two calendar years, and eliminate retroactive fiscal impacts to any period preceding implementation.

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.

ESA's February 2023 caseload and expenditure forecast was used to estimate the impacts provided in this fiscal note.

Section 3 of this amended bill would eliminate SSI grant dollar recovery from the effective date of October 1, 2025. To estimate the amount of SSI grant dollars no longer subject to recovery, monthly pending SSI caseloads were first multiplied by the calculated monthly per capita grant amount 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 Fiscal Years (FYs) 2026 and 2028, and 25.5 percent for months in FYs 2027 and 2029.

The projected average monthly pending SSI caseload is 22,660 cases each month in FY 2026 and beyond, and the projected monthly per capita grant amount for pending SSI cases is \$398.46 each month in FY 2026 and beyond.

Assuming an effective date of October 1, 2025, ESA estimates Section 3 will eliminate the following amounts of SSI recovery per FY:

- FY 2026: \$22,347,000
- FY 2027: \$27,629,000
- FY 2028: \$29,796,000
- FY 2029: \$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 impacts, the number of

monthly cases projected to be closed due to no IARA were multiplied by the monthly 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.

Assuming an effective date of October 1, 2025, ESA estimates increased caseload costs for ABD-Aged, ABD-Blind, and ABD-Disabled cases to be:

- FY 2026: \$15,000 for 5 average monthly cases
- FY 2027: \$58,000 for 14 average monthly cases
- FY 2028: \$92,000 for 23 average monthly cases
- FY 2029: \$118,000 for 29 average monthly cases

Assuming an effective date of October 1, 2025, ESA estimates increased caseload costs for ABD-Presumptive SSI cases to be:

- FY 2026: \$336,000 for 94 average monthly cases
- FY 2027: \$1,148,000 for 240 average monthly cases
- FY 2028: \$1,652,000 for 345 average monthly cases
- FY 2029: \$1,954,000 for 409 average monthly cases

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 moderate Barcode impacts. Assuming TIA-ESA begins work July 1, 2025, automation support is anticipated to be in place to meet the October 1, 2025 effective date. TIA estimates fiscal impact associated with this work to be 0.1 FTE and \$23,000 in FY 2026.

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 (\$272,000) and (2.6) FTE in FY 2026, and (\$273,000) and (2.6) FTE in FY 2027 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 2026 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 2026 and beyond.

Total fiscal impact per FY is estimated to be:

- FY 2026: \$22,442,000 and (2.5) FTE

- \$22,698,000 client service costs
- (\$279,000) and (2.6) FTE administrative cost savings
- \$23,000 and 0.1 FTE IT implementation costs
- FY 2027: \$28,555,000 and (2.6) FTE
 - \$28,835,000 client service costs
 - (\$280,000) and (2.6) FTE administrative cost savings
- FY 2028: \$31,260,000 and (2.6) FTE
 - \$31,540,000 client service costs
 - (\$280,000) and (2.6) FTE administrative cost savings
- FY 2029: \$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	0	0	0	50,997,000	60,681,000
Total \$			0	0	0	50,997,000	60,681,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				(2.6)	(2.6)
A-Salaries and Wages				(315,000)	(332,000)
B-Employee Benefits				(169,000)	(174,000)
C-Professional Service Contracts					
E-Goods and Other Services				(45,000)	(46,000)
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services				51,533,000	61,241,000
P-Debt Service				(2,000)	(2,000)
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-TZ-ISSD				(5,000)	(6,000)
Total \$	0	0	0	50,997,000	60,681,000

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)
IT APP DEVELOPMENT - SENIOR SPECIALIST	118,721				0.1	
SOCIAL SERVICE SPECIALIST 2	64,787				(2.4)	(2.4)
Total FTEs					(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.