

# SENATE BILL REPORT

## SB 6196

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As of January 29, 2024

**Title:** An act relating to creating the evergreen basic income pilot program.

**Brief Description:** Creating the evergreen basic income pilot program.

**Sponsors:** Senators Kauffman, Wilson, C., Frame, Nguyen, Keiser, Dhingra, Hasegawa, Kuderer, Lias, Lovelett, Nobles, Saldaña, Stanford and Trudeau.

**Brief History:**

**Committee Activity:** Human Services: 1/30/24.

### Brief Summary of Bill

- Establishes the Evergreen Basic Income Pilot Program (pilot program), providing 24 monthly payments to up to 7500 qualifying participants in an amount equal to 100 percent of the fair market rent for a two-bedroom dwelling unit in the county in which a participant resides.
- Creates a board of directors to administer, coordinate, and establish policies for the pilot program.
- Designates that persons receiving funds through the pilot program are eligible for certain assistance programs, and contains provisions to minimize the impact of receipt of basic income funds on income calculation for other assistance programs and determination of child support obligations.

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### SENATE COMMITTEE ON HUMAN SERVICES

**Staff:** Alison Mendiola (786-7488)

**Background:** Basic Income Programs. Basic income programs are programs that provide unrestricted and unconditional cash benefits to program participants. Basic income

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

programs may be in the form of universal basic income or guaranteed basic income. Universal basic income programs provide a benefit to all persons, regardless of means or other eligibility measures. Guaranteed basic income programs provide a benefit to persons meeting certain income or other eligibility criteria.

In the 2021-23 Operating Budget the Legislature directed the Department of Social and Health Services (DSHS) to conduct a study, jointly with the Poverty Reduction Work Group, on the feasibility of implementing a basic income pilot program. DSHS was directed to include in its study: research of other basic income programs; recommendations for a pilot in Washington; a cost-benefit analysis; operational costs; and an implementation plan. DSHS completed its study and made recommendations for a statewide 24-month guaranteed basic income pilot targeted at persons meeting certain income thresholds and other eligibility criteria.

Fair Market Rents. The United States Department of Housing and Urban Development annually establishes Fair Market Rents (FMR) using a combination of surveys, including United States Census Bureau data. The FMRs are established at the 40th percentile of gross monthly rents in a jurisdiction. In 2024 the FMRs for a two-bedroom home in Washington range from \$958- \$2,645 per month.

Federal Poverty Level. The United States Department of Health and Human Services establish poverty guidelines that are used to determine financial eligibility for certain programs. Updated guidelines are available annually in mid-January. In 2024, 200 percent of the federal poverty level (FPL) for a single person is \$30,120 annually and \$62,400 annually for a family of four.

Calculation of Income for Economic Assistance Program Eligibility and Other Purposes. A wide range of economic assistance programs and other programs use income as a measure of program eligibility. For instance, there are household income limits applicable to cash assistance programs, food assistance programs, childcare subsidies, disability benefits, and medical and legal assistance programs. One example is the Essential Needs and Housing Support (HEN) program, which provides time-limited rent assistance and services connected to housing stability and essential needs items, such as personal hygiene and transportation. With some exceptions, the program is only available to those who have monthly countable income at or below \$428 for a married couple or \$339 for an individual, and meet other criteria.

When a person qualifies as indigent based on income or receipt of certain types of public assistance, he or she is eligible for a court appointed defense attorney at government expense if threatened with a loss of liberty or parental rights. In the context of dissolution or parentage proceedings, all income and resources of each parent's household must be considered in determining each parent's child support obligation, with certain exceptions.

**Summary of Bill:** The Evergreen Basic Pilot Program. The Evergreen Basic Pilot Program

(Pilot Program) is established within DSHS. By January 1, 2026, DSHS is to provide 24 monthly payments to 7500 participants who:

- are at least 18 years old, or an emancipated minor;
- are a resident of Washington State;
- have a reported gross income that does not exceed 200 percent of the federal poverty level;
- are experiencing at least one of the following major life transitions or conditions associated with high economic instability: are currently pregnant; are the parent of at least one child under 18; are experiencing homelessness; are an immigrant, refugee or asylee; are exiting from the foster care system; are exiting from the juvenile justice system, or the criminal justice system and are referred by a law enforcement entity, the Department of Corrections, or the Department of Children, Youth and Families; are exiting a relationship or living situation due to domestic violence; have a disability; or have a behavioral health disorder as defined in statute;
- meet the eligibility requirements as established by the Board of Directors (Board); and
- are selected for participation in the pilot program.

The monthly payment is equal to 100 percent of the fair market rent in the county in which the participant lives at the time of application. Payment options must be available to both banked and unbanked participants.

The Pilot Program is to reimburse any pilot participant for the loss of other public benefits due to participation in the Pilot Program.

If the number of qualified applicants for the Pilot Program exceed 7500, participants shall be drawn using a stratified random sample, using subgroups to align participants per region with the share of people living in poverty in Washington that reside in that region. Additional strata based on eligibility criteria may be used to facilitate subgroup analysis in the Pilot Program evaluation, if recommended by DSHS and contractor evaluator entity or entities.

Qualified applicants that exceed 7500 can serve in a control group for data collection purposes. Control group participants are to be compensated at \$25 per hour for a maximum of \$250 per person.

The Board is to establish a simple and low-barrier application process that allows for self-attestation of income and life transition or condition. The application must be available in multiple languages and formats, including paper, online, and in-person assistance.

The Board may not exclude participation in the Pilot Program due to, or request information regarding, a person's immigration status, citizenship status, or place of birth, except that an applicant qualifying for the Pilot Program based on a condition associated with high economic instability may be required to indicate on the application that the applicant meets

the criteria.

DSHS is to provide funding to tribal entities and community-based organizations that serve and are substantially governed by marginalized populations to pay the costs associated with program outreach, assistance with completing applications, and related activities that directly support the goal of encourage application and participation by people of color.

DSHS is to contract with a third-party vendor to process and approve applications and provide all aspects of operations, including: eligibility determination, enrollment, cash dispersion, administration of control group participant compensation, and reimbursement of public benefits due to participation in the Pilot Program. The third-party vendor is to share administrative data on Pilot Program operations with the contracted evaluator entity or entities to support the program evaluation.

The Board of Directors. The Board is established as a collaboration of the state, tribal nations, and community partners to administer the Pilot Program. The Board is responsible for:

- providing strategic direction, oversight, and accountability of the Pilot Program;
- establishing policies for all phases of the Pilot Program including design, development, outreach, eligibility, enrollment, and data collection and use;
- coordinating with the Pilot Program's management and administrative team, regional directors, evaluation team, and community partners for the operation, coordination, and evaluation of the Pilot Program;
- providing financial and other support to the network of community-based organizations that possess the knowledge and expertise to best serve their residents;
- upholding a targeted universalism approach and ensuring benefits reach the priority populations;
- managing public and private resources to maximize the impact of a basic income benefit for recipients; and
- reviewing and approving the final report required by statute.

The Board must consist of at least 18 members appointed by the Secretary of DSHS as follows:

- two representatives of DSHS, one of which must be a tribal liaison for DSHS;
- at least one representative of a federally recognized tribe from each of the four regions established by DSHS's Office of Indian Policy;
- one representative of a federally recognized tribe whose reservation is largely urban;
- one representative of a federally recognized tribe whose reservation is largely rural; and
- ten representatives from community-based organizations, with at least one representative from each of the priority populations that represent major life transitions or conditions associated with high economic instability.

The Board is to select a chair from among its members.

Statewide Participation. To ensure statewide distribution of participants in the Pilot Program, each of the following regions must be allotted a maximum number of eligible participants:

- the Salish region, comprised of Clallam and Jefferson counties, the reservations of the Hoh, Jamestown S'Klallam, Lower Elwha Klallam, Makah, and Quileute tribes, and the portion of the Quinault Indian Nation that is located within the borders of Jefferson county;
- the Thurston-Mason region, comprised of Kitsap, Mason, and Thurston counties, the reservations of the Nisqually, Port Gamble S'Klallam, Skokomish, Squaxin Island, and Suquamish tribes, and the portion of the Confederated Tribes of the Chehalis Reservation that is located within the borders of Thurston county;
- the great rivers region comprised of Cowlitz, Grays Harbor, Lewis, Pacific, and Wahkiakum counties, the reservations of the Cowlitz and Shoalwater Bay tribes, and the portions of the Confederated Tribes of the Chehalis Reservation and the Quinault Indian Nation that are located within the borders of Grays Harbor county;
- the north sound region comprised of Island, San Juan, Skagit, Snohomish, and Whatcom counties and the reservations of the Lummi, Nooksack, Samish, Sauk-Suiattle, Stillaguamish, Swinomish, Tulalip, and Upper Skagit tribes;
- the southwest region comprised of Clark, Klickitat, and Skamania counties and the portions of the Confederated Tribes and Bands of the Yakama Nation and Cowlitz Indian Tribe located within the boundaries of Clark and Klickitat counties;
- the King and Pierce region comprised of King and Pierce counties and the reservations of the Muckleshoot, Puyallup, and Snoqualmie tribes;
- the north central region comprised of Chelan, Douglas, Grant, and Okanogan counties and the portion of the Confederated Tribes of the Colville Reservation located within the boundaries of Okanogan county;
- the greater Columbia region comprised of Asotin, Benton, Columbia, Franklin, Garfield, Kittitas, Walla Walla, Whitman, and Yakima counties and the portion of the Confederated Tribes and Bands of the Yakama Nation located within the boundaries of Yakima county; and
- the Spokane region comprised of Adams, Ferry, Lincoln, Pend Oreille, Stevens, and Spokane counties, the reservations of the Kalispel and Spokane tribes, and the portion of the Confederated Tribes of the Colville Reservation located within the boundaries of Ferry county.

The maximum number of eligible participants per region is to be determined according to the share of people living in poverty in Washington that reside in that region.

Data Collection and Evaluation. DSHS must collect data directly from participants in the Pilot Program and control group. Data collected may include: age, gender, race, ethnicity, geographic location, life transitions or conditions the participant is experiencing, household composition, health, education, caregiving, work participation, income, assets, household spending, power and autonomy, belonging, mobility, and economic success.

DSHS may not collect data or request information or proof regarding a person's immigration status, citizenship status, or place of birth unless the participant discloses this information in order to qualify for the Pilot Program.

Participants and control group members must have access to any of their individual data collected. Directly collected data shall be used for program monitoring and evaluation purposes by DSHS and contracted evaluator entities. Directly collected data must be anonymized before sharing with any additional noncontracted entities unless the participant consents to their identity being shared.

By December 1, 2027, DSHS shall submit a report the Legislature and Governor that evaluates the Pilot Program and makes recommendations for an ongoing basic income program, including the appropriate amount of basic income and length of assistance to be provided. The evaluation shall:

- include a cost-benefit analysis;
- align with research justice principles and recognize that all forms of knowledge, including cultural, spiritual, experiential, and mainstream, have equal value;
- evaluate the well-being change for participants in the pilot program compared to their peers, including economic well-being, power, autonomy, sense of belonging, and mobility; and
- be developed with input from community partners.

DSHS is to contract with a third-party organization to design and implement the program evaluation, with consultation from DSHS, including the research and data analysis division, and the Board of Directors. This contracted evaluator is responsible for: evaluation design; directly collecting data from participants and control group members; analyzing administrative and supplemental data; performing cost-benefit analyses; soliciting and incorporating input from community partners; and preparing the report to the Legislature and Governor. DSHS shall also subcontract with its research and evaluation division for consultation on data and evaluation. Areas of consultation may include: data quality monitoring; identifying prioritized populations; evaluation design; and use of administrative data for program evaluation. Both the third-party evaluator and DSHS's research and data analysis division are considered contracted evaluator entities.

Public Assistance Eligibility. As allowed by federal and state law, state agencies shall minimize, to the greatest extent possible, the impact of cash assistance provided under the Pilot Program on public assistance eligibility and benefit amounts including, but not limited to:

- other cash assistance programs, including the Temporary Assistance for Needy Families program, the State Family Assistance program, and the Refugee Cash Assistance program;
- food assistance programs, including the basic food program, the food assistance program, the free and reduced-price lunch program, the Women, Infants, and

- Children program, and the food distribution program on Indian reservations;
- child care subsidies, including the Working Connections Child Care program (WCCC); the Early Childhood Education and Assistance Program (ECEAP); and Head Start and tribal Head Start programs;
  - assistance programs administered by the Department of Commerce, including the Low-Income Heating and Electric Assistance Program and the Essential Needs and Housing Support programs (HEN);
  - disability benefits, including the Aged, Blind, or Disabled assistance program (ABD);
  - medical assistance programs, including Medicaid and eligibility for hospital charity care; and
  - legal assistance programs, including Indigent Defense Services.

In determining a person's initial or ongoing eligibility for public assistance, including ABD, HEN, ECEAP, and WCCC, income does not include any cash assistance a person receives from Pilot Program or any guaranteed basic income program operated by a government or private entity.

Cash assistance from the Pilot Program is not considered income for purposes of determining a parent's child support obligation, whether a patient is eligible for charity care, or indigent defense services.

Resident means a person who currently lives in Washington and; intends to reside in the state, including persons without a fixed address; entered the state looking for a job; or entered the state with a job commitment. A person does not need to live in the state for a specific period of time before being considered a resident.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.