

SENATE BILL REPORT

SB 5330

As of February 7, 2011

Title: An act relating to ensuring temporary assistance for needy family grants are used for the benefit of children.

Brief Description: Requiring the temporary assistance for needy families grant to be dispensed as an electronic voucher benefit and limited to purposes benefiting children.

Sponsors: Senators Zarelli, Carrell, Murray, Stevens, Shin, Baumgartner, Hewitt, King, Schoesler, Swecker and Holmquist Newbry.

Brief History:

Committee Activity: Human Services & Corrections: 2/03/11.

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Staff: Jennifer Strus (786-7316)

Background: Temporary Assistance for Needy Families (TANF) grants are made to eligible persons for the sole purpose of giving benefits to the children of those eligible persons. Each TANF recipient is required to present reasonable proof to the Department of Social and Health Services (DSHS) that all TANF funds for the children represented in the grant are being spent for the benefit of the children.

TANF recipients can receive their cash benefits through one of three methods:

- electronic benefit transfer (EBT), which is a direct deposit into a DSHS account that the recipient accesses with a debit card called the Washington EBT Quest Card;
- electronic funds transfer, which is a direct deposit into a recipient's bank account; or
- a check to the recipient who is not approved for direct deposit.

Those recipients who use the EBT are able to access their cash benefits at ATMs or point of sale machines in the same way as other citizens access their bank account through a debit card.

Summary of Bill: No later than July 1, 2012, DSHS must dispense TANF cash assistance as an electronic voucher benefit using the EBT system to ensure that the grant is being spent for the benefit of the children. The EBT voucher is to consist of the full grant amount and must

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limit all purchases, transactions, and payments to items and purposes defined by DSHS in rule as having a clear benefit to the children.

The EBT voucher vendor must limit the amount of the cash assistance that can be withdrawn as cash to no more than \$50 per month. The remainder of the cash assistance may only be accessed through the EBT voucher.

The TANF recipient may request that DSHS make a direct payment be issued on a regular or one-time basis to a landlord, utility company, or other approved entity for any purchase or payment that cannot be made through the EBT voucher system. DSHS may deduct from the cash assistance amount the administrative cost of issuing a direct payment.

DSHS must provide to the State Auditor, on an annual basis, complete and comprehensive transaction detail from the EBT system. The State Auditor is to audit this information using a statistically significant sample of the TANF caseload to determine whether the requirements of this act are being met.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Use of TANF benefits must be for the benefit of the children in the households. There is ample evidence that this money is not always being spent for the benefit of the children. Washington needs to get away from cash benefits because with cash, we cannot ensure that the assistance is being spent for the benefit of the children. It is hard to believe that the EBT vendor for the state cannot make this work.

CON: We are concerned that a family's expenses cannot be paid from \$50 a month in cash; \$50 is just not enough per month. In rural areas not all stores have the capability to accept EBT cards, so if the family cannot access more than \$50 it will be hard for them to make family purchases. We need to hold fraudulent users accountable but not every recipient needs to be put under a microscope.

OTHER: The federal government through its child support regulations requires that TANF benefits be in the form of cash. We are concerned about the cost of moving to an electronic benefit voucher system. We are concerned that TANF families would only have \$50 in cash each month. We want to be practical about how this would work. We want to make the process simpler for the families and not in conflict with what the federal government requires of the state. We do not want to put the grocery checkers in the position of telling recipients what their EBT card can and cannot be used to purchase.

Persons Testifying: PRO: Senator Zarelli, prime sponsor.

CON: Lynn Urvina, Family Education & Support Services.

OTHER: Lonnie Johns-Brown, Welfare Advocates Group; Holly Chisa, NW Grocery Assn.