

# HOUSE BILL REPORT

## HB 2585

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**As Reported by House Committee On:**  
Early Learning & Human Services  
Appropriations Subcommittee on Health & Human Services

**Title:** An act relating to income eligibility for temporary assistance for needy families benefits for a child.

**Brief Description:** Concerning income eligibility for temporary assistance for needy families benefits for a child.

**Sponsors:** Representatives Walsh and Pettigrew; by request of Department of Social and Health Services.

**Brief History:**

**Committee Activity:**

Early Learning & Human Services: 2/3/14 [DP];

Appropriations Subcommittee on Health & Human Services: 2/6/14 [DP].

**Brief Summary of Bill**

- Allows the Department of Social and Health Services to exempt 50 percent of a caregivers unearned income when determining Temporary Assistance for Needy Families eligibility and benefit standards for a child who is not a foster child.

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### HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

**Majority Report:** Do pass. Signed by 12 members: Representatives Kagi, Chair; Freeman, Vice Chair; Walsh, Ranking Minority Member; Scott, Assistant Ranking Minority Member; Fagan, Goodman, MacEwen, Ortiz-Self, Roberts, Sawyer, Young and Zeiger.

**Staff:** Luke Wickham (786-7146).

**Background:**

In 2011 the Legislature directed the Department of Social and Health Services (DSHS) to establish income eligibility rules for nonparental caregivers receiving a child-only Temporary

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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 a part of the legislation nor does it constitute a statement of legislative intent.*

Assistance for Needy Families (TANF) grant. A caregiver with an income above 300 percent of the federal poverty level is not eligible for child-only TANF benefits for a child residing with a caregiver who is not a foster child. In 2012, 300 percent of the federal poverty level for a family of three was \$58,590.

The DSHS only counts 50 percent of an individual's gross earned income to determine eligibility and benefit level. The stated purpose for this exemption is to encourage recipients to work.

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**Summary of Bill:**

The DSHS may exempt 50 percent of a caregiver's unearned income when determining TANF eligibility and benefit standards for a child, who is not a foster child, who is residing with a caregiver other than his or her parents. Unearned income is defined as income received from a source other than employment or self-employment.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) It is important to promote instead of prevent family placements, and this bill accomplishes that. This bill will improve housing options for relative and kinship caregivers. Stable housing is a critical platform for children to receive proper support and educational outcomes. There was a caseload drop after the decision to means test caregivers. One of the side benefits of having children on a child-only TANF program is that there are additional benefits beyond the TANF benefit such as eligibility for the Free and Reduced Lunch program. The DSHS was not given the same ability to exempt unearned income for child-only TANF cases. This bill corrects the unequal treatment of earned and unearned income. This bill will affect caregivers positively. A caregiver who receives some retirement benefits would be able to receive a full grant instead of possibly not being eligible for any assistance. The cost to the state will be less than \$300,000 per year. If a child is not able to reside with relatives, that same child could be placed in foster care or reside in another placement that could be much more expensive than the cost of exempting unearned income.

(Opposed) None.

**Persons Testifying:** Representative Walsh, prime sponsor; Kate Baber, Washington Low Income Housing Alliance; Laurie Lippold, Partners for Our Children; and David Stillman, Department of Social and Health Services, Economic Services.

**Persons Signed In To Testify But Not Testifying:** None.

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**HOUSE COMMITTEE ON APPROPRIATIONS SUBCOMMITTEE ON HEALTH & HUMAN SERVICES**

**Majority Report:** Do pass. Signed by 10 members: Representatives Morrell, Chair; Harris, Ranking Minority Member; Cody, Green, G. Hunt, Kagi, Ormsby, Ross, Schmick and Tharinger.

**Staff:** Melissa Palmer (786-7388).

**Summary of Recommendation of Committee On Appropriations Subcommittee on Health & Human Services Compared to Recommendation of Committee On Early Learning & Human Services:**

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Often fiscal notes do not reflect the entire impact of a policy and it would be more helpful to show a cost-benefit analysis of the policy. For instance, this legislation is trying to make sure families stay together and encourage relative placements. Changing how unearned income is counted could enable grandchildren to remain with their grandparents. This is especially true in instances where the grandparent may be receiving Social Security benefits. For a single grandmother that is receiving \$3,000 per month in retirement benefits, the grandmother would be eligible for a reduced child-only grant of \$183 per month for her grandchild. If the same grandparent received \$3,000 per month through employment, the grandmother would be eligible for the full grant. This is because half of the income would be disregarded when determining the benefit. This legislation provides parity for caregivers who have unearned income.

Providing a child-only grant would cost the state far less than a foster care payment and is emotionally better for the family. The policy is designed to keep children with their families and out of the foster care system. There are currently about 3,500 or 4,000 children placed by Children's Administration in relative care. For every one of those children, there are 10 other children in informal care, meaning that they are cared for by a relative but are not formally placed with the relative by Children's Administration. The child-only grant is a huge support for relative caregivers in Washington. It is important to address the equity issue of how income is counted.

(Opposed) None.

**Persons Testifying:** Representative Walsh, prime sponsor; Robin Zukski, Columbia Legal Services; David Stillman, Department of Social and Health Services; and Laurie Lippold, Partners for our Children.

**Persons Signed In To Testify But Not Testifying:** None.