

SENATE BILL REPORT

SB 5643

As of February 19, 2013

Title: An act relating to exemptions from the five-year time limit for recipients of the temporary assistance for needy families program.

Brief Description: Concerning exemptions from the five-year time limit for recipients of the temporary assistance for needy families program.

Sponsors: Senators Darneille, Carrell, Harper, Frockt, Kohl-Welles, Kline, Chase and Hasegawa.

Brief History:

Committee Activity: Human Services & Corrections: 2/19/13.

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Staff: Kevin Black (786-7747)

Background: Temporary Assistance for Needy Families (TANF) is a federal block grant established under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The TANF program replaced the Aid to Families with Dependent Children program, which had provided grants to poor families with children since the 1930s. States use TANF block grants to operate their own programs. State programs differ, but operate in accordance with the following purposes set forth in federal law:

- to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- encourage the formation and maintenance of two-parent families.

Parents in the TANF program must participate in the WorkFirst program, which consists of programs designed to lead to employment, in exchange for a cash grant. Certain exemptions apply if the parent lacks adequate child care and transportation, which may be provided by the program.

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.

A 60-month lifetime time limit applies to adults who receive benefits from the program, unless a federally recognized exemption applies. The federal government allows exemptions to be applied for reasons of hardship and for families who experience domestic violence and qualify for family violence options. States are given considerable flexibility in defining how the TANF time limit and exemptions will be applied. In 2011, the Department of Social and Health Services (DSHS) tightened regulations concerning time limit exemptions and legislation was passed requiring DSHS to apply the 60-month time limit to all TANF households containing a parent who is no longer eligible for TANF. These actions had the effect of hardening the 60-month time limit for Washington families, resulting in the removal of over 8500 children and over 4600 adults from the TANF program due to expiration of the time limit during the first 16-month period following implementation of these changes.

Summary of Bill: Family violence and hardship exemptions to the 60-month time limit for TANF benefits are expanded. Family violence exemptions must be applied in situations in which an individual whose experience of family violence disrupted the individual's ability to keep employment or increase wage-earning potential, and would otherwise experience an unfair penalty. Hardship exemptions must include, in the following order of priority:

- recipients of supplemental social security income or social security disability, recipients with first time open child welfare cases, recipients who meet family violence criteria, and recipients who are caretakers of relatives and are over 55 years of age;
- families who reside in a county with an unemployment rate above 6 percent;
- parents with a temporary mental or physical incapacity;
- parents working in unsubsidized employment for more than 20 hours per week; and
- parents who are functionally illiterate.

Appropriation: None.

Fiscal Note: Requested on February 7, 2013.

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: Our main hope is to achieve the goals of the TANF program by bringing families closer to self sufficiency. The time limit is an artificial barrier to this goal. The bill addresses areas of particular challenge to families, such as living in an area of extreme unemployment, or in an area where low-skilled jobs are not available. This bill is a work in progress; I would support an amendment to raise the threshold for unemployment. Federal law allows up to 20 percent of a state's TANF caseload to receive services after the 60-month limit. Most recipients never reach the time limit. Almost 20,000 children have lost benefits since the regulation change in 2011. This bill will help people who cannot find work due to factors beyond their control. Low-income families have experienced housing instability, homelessness, and severe economic insecurity. When students' basic needs are not met outside the classroom, they are less likely to learn and reach full potential. TANF participants who play by the rules shouldn't lose their income while the economy is stagnant and there are not enough jobs. Families struggle to meet the basic needs

of children without access to assistance. We favor a flexible approach so that students who face economic barriers can complete the educational pathway.

OTHER: The bill significantly broadens the circumstances beyond current regulations and federal law. We have concerns about the fiscal impact. Of the 39 counties, 38 currently have unemployment rates above 6 percent. Functional illiteracy is not defined, which may prompt legal challenges. We currently grant extensions to persons with temporary incapacity, but the incapacity is not defined in this bill in terms of how long it would last or whether it would have to interfere with work capacity.

Persons Testifying: PRO: Senator Darneille, prime sponsor; Robin Zukoski, Columbia Legal Services; Kate Baber, Marcy Bowers, Statewide Poverty Action Network; Michael Mitchell, WA State Budget & Policy Center; Rick Krauss, State Board for Community and Technical Colleges.

OTHER: David Stillman, DSHS Economic Services Administration.