

HOUSE BILL REPORT

HB 2874

As Reported by House Committee On:
Early Learning & Human Services
Appropriations

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

Brief Description: Repealing certain provisions governing income eligibility for temporary assistance for needy families benefits.

Sponsors: Representatives Pettigrew, Walsh, Sawyer, Senn, Kagi, Stanford, Bergquist, Ortiz-Self, Gregerson and Ormsby.

Brief History:

Committee Activity:

Early Learning & Human Services: 2/2/16, 2/3/16 [DP];

Appropriations: 2/8/16, 2/9/16 [DPS].

Brief Summary of Substitute Bill

- Repeals the statute related to means-testing for child-only Temporary Assistance for Needy Families grants, which removes the income-eligibility requirements for non-parental caregivers.

HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

Majority Report: Do pass. Signed by 11 members: Representatives Kagi, Chair; Senn, Vice Chair; Walsh, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Hawkins, Kilduff, McCaslin, Ortiz-Self, Sawyer, Scott and Walkinshaw.

Staff: Ashley Paintner (786-7120).

Background:

Temporary Assistance for Needy Families (TANF) is a federal block grant established under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. States use TANF block grants to operate their own programs. State programs differ, but they operate in accordance to provide assistance to needy families so that children may be cared for in their

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own homes or in the homes of relatives, and to end the dependence of needy parents on government benefits by promoting job preparation and work.

In 2011 the Legislature passed Engrossed Substitute Senate Bill (ESSB) 5921, which directed the Department of Social and Health Services (DSHS) to establish income eligibility rules for nonparental caregivers receiving a child-only TANF grant. A caregiver with an income above 300 percent of the federal poverty level (FPL) is not eligible for child-only TANF benefits for a child who is not a foster child. Three hundred percent of the FPL for a family of three was \$60,270 in 2015. The DSHS counts only 50 percent of an individual's gross earned income to determine eligibility and benefit level. Nonparental caregivers between 200 and 300 percent of the FPL receive a reduced TANF grant. The stated purpose for this exemption is to encourage recipients to work.

Summary of Bill:

The means-test policy for child-only TANF grants is repealed. Therefore, the DSHS will not evaluate the income of nonparental caregivers when conducting eligibility determinations for child-only TANF grants.

Appropriation: None.

Fiscal Note: Requested on January 27, 2016.

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) This bill allows the state to support grandparents in raising their grandchildren. Many of these elderly are caring for young children and need all the support and resources available. An individual earning 300 percent of the FPL makes roughly \$60,000 a year, which is not that much for raising one child and relatives are often taking in more than one child. These grandparents are providing an incredible service and a savings to the state by keeping kids out of foster care. The child-only TANF grant means testing for kinship caregivers negatively impacts individuals in the State of Washington who are trying to care for their relatives. Many of these elderly never planned to care for young children in their retirement.

In the early 2000s the Washington State Institute for Public Policy conducted a report on kinship care, and as a result of that report the Legislature created the Kinship Care Oversight Committee. This report identified a number of recommendations, one of which is that kinship caregivers often need financial support and resources. The TANF child-only grants are one of the only supports available to relative caregivers if they are not going through the formal foster care system.

Over 53,000 children in Washington are being raised by relatives. Kinship caregivers are raising children because the child's parents are unable to do so, which could be due to a variety of reasons such as substance abuse, incarceration, or death. Child-only TANF grants are approximately \$300 a month compared to the monthly foster care subsidy which is a little over \$500 a month.

In 2011 the Legislature passed ESSB 5921 due to high caseloads and financial restrictions brought on by the major recession. There are approximately 3,000 families that received child-only TANF grants prior to 2011 that no longer do. Child-only TANF grants can link these families to other supports the children may be eligible for, such as financial assistance for college and eligibility for medical coverage. It is very important that kinship care continues and is as robust as possible in order to keep children out of the formal foster care system.

(Opposed) None.

Persons Testifying: Representative Pettigrew, prime sponsor; Laura Lippold, Partners for Our Children; Robin Zukoski, Columbia Legal Services; Jennifer Louch, Catholic Community Services; and Lynn Urvina, Family Education and Support Services.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 19 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Cody, Fitzgibbon, Hansen, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Pettigrew, Robinson, Sawyer, Senn, Springer, Stokesbary, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 12 members: Representatives Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Condotta, Dent, Haler, Harris, Magendanz, Schmick, Taylor and Van Werven.

Staff: Melissa Palmer (786-7388).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Early Learning & Human Services:

The substitute bill added a September 1, 2016, effective date.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect on September 1, 2016.

Staff Summary of Public Testimony:

(In support) For many years, the Legislature has heard about issues related to kinship care. The Department of Social and Health Services seeks out relatives to care for a child when the child is formally removed from his or her home and becomes part of the child welfare system. The state has a high placement rate with relatives in the formal child welfare system. The state has even more children residing with relatives outside of the formal child welfare system. There are very few supports for informal relative caregivers. Many of these caregivers are on a fixed income. The Temporary Assistance for Needy Families (TANF) grant is one of the primary ways the state can support relative caregivers. Outcomes are much better for children with relatives compared to children in "stranger foster care."

Relative caregivers are helping the state by keeping children from entering the formal child welfare system and saving the state money. Relative caregivers step up when children are unable to stay with a parent. Often these children are dealing with a lot of trauma. Many relatives caregivers are older, 65 years old, or in one case, 82 years old, and have fixed or limited incomes. Many of the relatives are either retired or close to retiring. They often did not plan on raising children at this point in their life. The state should step up and help relatives who have saved the state money.

When means-testing for TANF was implemented, caregivers lost access to TANF and many doors closed for other programs for the children in their care. These children were no longer eligible for Head Start, College Bound, and the free lunch program. If these children were formally placed with relatives through the child welfare system, they would have been eligible for these programs.

The TANF grant would be \$467 month for three children; however, a foster care payment would be \$1,340 more per month. When the means-testing policy was adopted, it was not done for philosophical reasons but was done for fiscal reasons. Children do better when they are able to stay with their relatives. Providing support to relatives who are caring for children is a fiscally sound policy.

(Opposed) None.

Persons Testifying: Laurie Lippold, Partners for Our Children; Lynn Urvina, Family Education and Support Services; and Robin Zukowski, Columbia Legal Services.

Persons Signed In To Testify But Not Testifying: None.