

# HOUSE BILL REPORT

## HB 1136

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### As Reported by House Committee On: Civil Rights & Judiciary

**Title:** An act relating to implementing child support pass-through payments.

**Brief Description:** Implementing child support pass-through payments.

**Sponsors:** Representatives Kilduff, Goodman, Senn, Gregerson, Appleton, Pollet, Ormsby and Walen.

#### **Brief History:**

##### **Committee Activity:**

Civil Rights & Judiciary: 1/18/19, 1/25/19 [DPS].

#### **Brief Summary of Substitute Bill**

- Requires the Department of Social and Health Services to pass through a portion of child support collections for families receiving assistance under the Temporary Assistance for Needy Families program.

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### HOUSE COMMITTEE ON CIVIL RIGHTS & JUDICIARY

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Jinkins, Chair; Thai, Vice Chair; Irwin, Ranking Minority Member; Dufault, Assistant Ranking Minority Member; Goodman, Graham, Kilduff, Kirby, Klippert, Orwall, Shea, Valdez, Walen and Ybarra.

**Staff:** Edie Adams (786-7180).

#### **Background:**

Federal law requires states to have a child support enforcement program that complies with federal requirements as a condition of receiving federal funds for child support enforcement and Temporary Assistance for Needy Families (TANF) programs. As a condition of receiving TANF cash benefits, a family must assign its rights to child support to the state during the months the family receives the benefits. Assigned child support collections are retained by states and the federal government as partial reimbursement for TANF assistance.

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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.*

The federal Deficit Reduction Act of 2005 allows states to pass through up to \$100 per month of collected child support to TANF families with one child and up to \$200 per month of collected child support to TANF families with two or more children without having to reimburse the federal government for its share of the child support collected. This is known as the child support pass through. States that opt to implement the child support pass through must disregard the child support collection paid to the family in determining the family's cash TANF benefit.

Washington implemented child support pass-through payments in October 2008, but suspended the child support pass-through payments effective May 1, 2011.

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**Summary of Substitute Bill:**

Effective February 1, 2020, the Department of Social and Health Services is required to pass through to families receiving assistance under the Temporary Assistance for Needy Families program up to \$100 per month in collected child support for one child and up to \$200 per month in child support for two or more children. The pass-through payments must be implemented in accordance with the Deficit Reduction Act of 2005.

**Substitute Bill Compared to Original Bill:**

The implementation date for the child support pass through payments is February 1, 2020, rather than October 1, 2019.

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**Appropriation:** None.

**Fiscal Note:** Requested on January 16, 2019.

**Effective Date of Substitute Bill:** 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 will help vulnerable families in the state. Participants in the Temporary Assistance for Needy Families (TANF) program assign their rights to child support to the state as condition of participation. Passing through a portion of child support payments will provide some additional assistance that could make a real difference to the family and provide a pathway to employment and self-sufficiency.

Families in the TANF program do not want to rely on public assistance; they end up in the program because of the loss of a job, a medical crisis, or other traumatic events. Research indicates that there are numerous negative impacts on children in poverty, and evidence shows that more financial resources have a stabilizing effect on a family. Allowing a little

more money to go to families is a way to decrease the likelihood that children will experience the toxic stress of poverty that can impact them throughout their lives.

Families that participate in the TANF program receive very limited income and as a result have to make difficult choices every month. Current TANF cash benefits are fairly low and fall short of being enough for basic necessities. An extra \$100 represents a significant income boost which will help give families the stability they need to leave the TANF program and not cycle back into the program.

Children need both emotional and financial support from their parents. The current policy disincentivizes parents from making support payments and has a negative impact on family relationships. Empirical research shows that passing child support payments through to the family has a positive impact on the parent making the payment and increases compliance. Parents are more likely to pay support if they know the money is going to the family rather than to the state.

(Opposed) None.

**Persons Testifying:** Representative Kilduff, prime sponsor; David Hlebain and Alex Hur, Statewide Poverty Action Network; Julie Watts, Washington State Budget and Policy Center; Sara Robbins, Solid Ground; and Tatomya Wimbish, YWCA of Olympia.

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