
Human Services & Early Learning Committee

HB 1603

Brief Description: Revising economic assistance programs by updating standards of need, revising outcome measures and data collected, and reducing barriers to participation.

Sponsors: Representatives Senn, Entenman, Morgan, Kilduff, Macri, Gregerson, Valdez, Chapman, Wylie, Peterson, Doglio, Tharinger, Bergquist, Robinson, Ortiz-Self, Goodman, Lovick, Jinkins, Leavitt, Hudgins, Pettigrew, Slatter, Appleton, Stanford, Davis, Frame, Pollet, Fey and Tarleton.

Brief Summary of Bill

- Modifies policies in the Temporary Assistance for Needy Families and WorkFirst programs.
- Requires the Department of Social and Health Services to revise and update a comprehensive study of living costs related to consolidated standards of need.

Hearing Date: 1/30/19

Staff: Dawn Eychaner (786-7135).

Background:

Temporary Assistance for Needy Families (TANF) is a federal block grant that provides temporary cash assistance, subsidized childcare, and work programs for families. The Washington WorkFirst TANF Act of 1997 created the WorkFirst program. With limited exceptions, adult TANF recipients must participate in one or more WorkFirst activities that are identified through an assessment and documented in the recipient's Individual Responsibility Plan (IRP). These activities may include paid and unpaid employment-based training programs, career development, community service, work skills assessment and job search training, and vocational training programs.

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.

In 2014 the state began requiring all TANF applicants to attend a mandatory orientation as a condition of eligibility. The TANF program is administered by the Department of Social and Health Services (DSHS).

Work Participation, Sanctions, and Permanent Disqualification.

Federal law and state rules require a reduction or termination of a family's assistance if an individual in the family refuses to participate in work requirements unless the individual meets criteria to be exempt from mandatory work participation or has good cause. This reduction of assistance is referred to as "non-compliance sanction."

States are required to meet two federally set Work Participation Rates (WPR) for the TANF program: a two-parent WPR that measures participation by individuals in two-parent families and an overall, "all family," WPR that measures work activity participation by all work-eligible individuals. The state could be subject to a federal penalty if a WPR is not met in a fiscal year. The DSHS reports on the WPRs to the Legislature quarterly. The October 2018 quarterly report from the DSHS indicated the state has been exceeding both WPR rates since May 2016.

Federal law allows the state to exclude families in sanction status from the WPR calculation for three out of 12 months. Current state rules require a family's TANF grant to be reduced by one person's share or 40 percent, whichever is more, when a recipient is in sanction. After two months in sanction, the recipient's case is closed. If a TANF case is closed at least three times, the individual and any household that person is part of are permanently disqualified from receiving TANF benefits.

Temporary Assistance for Needy Families Five-Year Time Limit.

Federal and state rules limit the length of time an adult can receive TANF benefits to a cumulative total of five years. States can extend TANF assistance beyond the five-year limit for up to 20 percent of the average monthly caseload. Extensions may only be offered to families on the basis of hardship, as defined by the state, or in instances of battering or severe cruelty. The state allows hardship extensions for individuals approved for work participation exemptions or who meet hardship or family violence criteria. For federal fiscal year 2017, four percent of the state's caseload was exempt from the five-year limit.

Pre-2011 Temporary Assistance for Needy Families Policies Report.

The 2018 Supplemental Operating Budget required the DSHS to submit a report to the Governor and the Legislature by December 1, 2018 describing the estimated caseload and fiscal impacts of returning to pre-2011 TANF policies. The report includes an analysis of the impacts of removing the five-year lifetime limit, lessening non-compliance sanction policies, and eliminating the mandatory orientation.

Standards of Need.

The DSHS has established consolidated standards of need for certain cash assistance programs. The standards were developed based on a 1991 market basket survey and are updated annually according to inflation. Cash grant amounts cannot exceed the identified need standard in the TANF program; Refugee Assistance; Supplemental Security Income; and the Aged, Blind or Disabled Program. Current cash grant standards are lower than the standard of need.

Legislative-Executive WorkFirst Poverty Reduction Oversight Task Force.

The 2018 Legislature established the Legislative-Executive WorkFirst Poverty Reduction Oversight Task Force (Task Force) to oversee the operation of the WorkFirst and TANF programs. The voting membership of the Task Force is comprised of eight state agency representatives and eight members of the Legislature.

Summary of Bill:

Work Participation, Sanctions, and Permanent Disqualification.

If a recipient refuses to engage in work activities, the DSHS must review the case to ensure the DSHS has considered any barriers to work and made any necessary revisions to the recipient's IRP. After four months of continuous non-compliance, the family's grant may be reduced by the recipient's share or 40 percent, whichever is greater. The DSHS may not terminate the grant.

The DSHS may not permanently disqualify households for noncompliance with WorkFirst requirements.

The DSHS may not require TANF applicants to attend an orientation as a condition of eligibility. The DSHS may incorporate orientation information into the recipient assessment.

Temporary Assistance for Needy Families Five-Year Time Limit.

The DSHS must exempt TANF recipients from the five-year time limit due to hardship, family violence, or if the recipient meets criteria in current adopted rules. The DSHS must add to exemption rules to include circumstances where the recipient:

- is participating satisfactorily in the program;
- is temporarily prevented from working or looking for a job;
- is in need of mental health or substance use disorder treatment;
- is homeless or at substantial risk of losing stable housing or housing support services; or
- demonstrates another basis by which the time limit would cause undue hardship to the recipient or the recipient's family.

Standards of Need.

The DSHS must revise the comprehensive study of living costs that the standard of need for the TANF program is based upon. Out-of-pocket costs for child care and health care are added to the household budget items that must be included in the study of living costs. The Pregnant Women Assistance and the State Family Assistance programs are included in the consolidated standard of need and the supplemental security income and Aged, Blind, or Disabled programs are removed from the standard.

The comprehensive study must:

- include recommendations for TANF grant standards as a percentage of need;
- be updated annually according to recognized inflation indices;
- be submitted to the Office of Financial Management, the Task Force, and the Legislature by September 1, 2019;
- be adjusted every four years, beginning September 1, 2022, for base costs to a consumer for household budget items used in the study; and

- be redesigned and updated every 10 years beginning September 1, 2029. The 10-year update must include adjustments to study parameters, cost categories, and geographic boundaries as necessary.

Other.

The DSHS may not limit benefits for new state residents to the benefit level the recipient received in their former state of residence.

The Task Force is added to the recipients of quarterly progress reports on outcomes and benchmarks. Outcome measures for use in evaluating the WorkFirst program are expanded to include:

- caseload reduction data for participants who exit due to increased income, employment, at the participant's request, or for other reasons;
- employment;
- wage progression; and
- outcomes for sanctioned and time-limited families.

All provisions apply prospectively only and not retroactively.

Appropriation: None.

Fiscal Note: Requested on January 24, 2019.

Effective Date: This bill takes effect on May 1, 2020, except for sections 1 and 8, relating to the comprehensive study of living costs and the TANF application orientation, which take effect 90 days after adjournment of the session in which the bill is passed.