

HOUSE BILL REPORT

2SHB 1603

As Passed Legislature

Title: An act relating to revising economic assistance programs by updating standards of need, revising outcome measures and data collected, and reducing barriers to participation.

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

Sponsors: House Committee on Appropriations (originally sponsored by 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 History:

Committee Activity:

Human Services & Early Learning: 1/30/19, 2/5/19 [DPS];
Appropriations: 2/28/19 [DP2S(w/o sub HSEL)].

Floor Activity:

Passed House: 3/7/19, 69-28.
Senate Amended.
Passed Senate: 4/15/19, 35-13.
House Concurred.
Passed House: 4/18/19, 55-39.
Passed Legislature.

Brief Summary of Second Substitute Bill

- Removes the authority of the Department of Social and Health Services (DSHS) to permanently disqualify households from receiving Temporary Assistance for Needy Families (TANF).
- Removes the provision limiting TANF benefits for new state residents to a lower benefit level received in another state.
- Requires the DSHS to exempt a homeless person from the 60-month limit for TANF benefits.

HOUSE COMMITTEE ON HUMAN SERVICES & EARLY LEARNING

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.

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Senn, Chair; Callan, Vice Chair; Frame, Vice Chair; Goodman, Griffey, Kilduff, Klippert, Lovick and Ortiz-Self.

Minority Report: Do not pass. Signed by 3 members: Representatives Eslick, Assistant Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Corry.

Minority Report: Without recommendation. Signed by 1 member: Representative Dent, Ranking Minority Member.

Staff: Dawn Eychaner (786-7135).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Human Services & Early Learning. Signed by 20 members: Representatives Ormsby, Chair; Bergquist, 2nd Vice Chair; Robinson, 1st Vice Chair; Rude, Assistant Ranking Minority Member; Cody, Dolan, Fitzgibbon, Hansen, Hudgins, Jinkins, Macri, Pettigrew, Pollet, Ryu, Senn, Springer, Stanford, Sullivan, Tarleton and Tharinger.

Minority Report: Do not pass. Signed by 11 members: Representatives Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Caldier, Chandler, Dye, Hoff, Kraft, Mosbrucker, Steele, Sutherland and Ybarra.

Staff: Kelci Karl-Robinson (786-7116).

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. 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.

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."

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.

Benefits for New State Residents.

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 authorized states to pay the benefit amount of another state's TANF program to residents who have lived in the state for less than 12 months. In 1997 Washington enacted a law implementing the PRWORA that required, among other provisions, the DSHS to pay a lower TANF benefit to a person who has lived in a state for less than 12 months if that person received a lower benefit in his or her former state of residence. That same year, California began enforcing a similar limitation. In *Saenz v Roe*, 526 U.S. 489 (1999), the United States Supreme Court held that California's lower benefit policy for new residents unconstitutionally discriminated against citizens of the state on the basis of the length of residency and was in violation of the privileges and immunities clause of Article IV, section 2 of the United States Constitution.

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.

Temporary Assistance for Needy Families Five-Year Time Limit.

Federal rules limit the length of time an adult can receive TANF benefits to a cumulative total of 60 months. States can extend TANF assistance beyond the 60-month 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 family violence. The DSHS has adopted rules identifying who is eligible for a time limit hardship extension. Examples of hardship under the adopted rules include a person with severe and chronic disabilities and a person acting as a caregiver for a disabled child or adult, among others. For federal fiscal year 2017, 4 percent of the state's caseload was exempt from the 60-month limit.

Summary of Second Substitute Bill:

Permanent Disqualification.

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

Benefits for New State Residents.

The provision limiting benefits for a new state resident to the benefit level the recipient received in his or her former state of residence is removed.

Five-Year Time Limit.

The DSHS must add to adopted hardship criteria rules to include being homeless as qualifying for an extension of the 60-month time limit.

Other.

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. Prospective application of the Act allows families who have been permanently disqualified under prior policies to receive benefits prospective only, if otherwise eligible.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony (Human Services & Early Learning):

(In support) It is time to update TANF laws with an increased understanding of policies and their impacts. The standard of need is in need of an update, particularly in the cost categories. The TANF benefits are a last-resort lifeline for struggling families with kids. Increasingly stringent policies have created difficulties for families. Most people who enter the TANF program exit within a year, and families dealing with mental health and other issues are not helped when suddenly cut off from child care and other services. Reinvesting in the TANF program and re-enacting policy fixes will make a difference for families. This is a crucial step to ensure families and children in the state who have fallen on hard times don't go without basics. The TANF program cuts over the last decade totaling more than \$200 million have decimated this program, and today the TANF program only serves 25 out of 100 families in need. A disproportionate number of people cut off from TANF benefits were homeless at the time they were cut off. Communities of color are disproportionately represented among those who have been cut off from the program. The time limit extensions as they exist don't qualify a person who is homeless with two children. Clients receiving TANF benefits face domestic violence, homelessness, and other barriers. The mandatory orientation is offered once a week in a community services office. Child care is not available for these orientations and some families don't have transportation, creating significant barriers. Poverty can trap victims in abusive relationships. Domestic violence survivors have to disclose their abuse and participate in specific activities to qualify for extensions and may not disclose due to safety concerns. The TANF sanctions have severe effects on families, and the terminology "refusing to participate" is not always accurate. Case managers don't offer families flexibility for extenuating circumstances. The TANF program is likely the biggest child-serving program outside of public education. Living in poverty leads to undesirable outcomes, including child welfare system involvement where the correlation

between poverty and neglect is very strong. Policies this bill would address were enacted because of budgetary reasons, not philosophical ones. There is a different budget climate now, and it's time to bring the TANF program back to where it was when it started.

(Opposed) None.

Staff Summary of Public Testimony (Appropriations):

(In support) The Temporary Assistance for Needy Families (TANF) program provides economic stability to around 25,000 struggling families with children. Over the last decade, \$220 million has been transferred out of the TANF program to help balance the state budget, yet the number of families living in deep poverty has increased. The TANF policy changes have had a disproportionate impact on black and Native American families; these families make up 20 percent of the TANF caseload, but 33 percent of the families terminated due to the 60 month time limit. Families are abruptly cut off from support due to the permanent disqualification policy. Investments in these families will assist in addressing the homelessness and mental health crises in our state.

(Opposed) None.

(Other) Seventy-two percent of the people in TANF households are children. The caseload has seen about a 45 percent decline due to the TANF policy changes made during the recession. Reversing those policies would lead to a TANF caseload increase.

Persons Testifying (Human Services & Early Learning): Representative Senn, prime sponsor; Joe Nguyen, Washington State Senate; David Hlebain, Statewide Poverty Action Network; Julie Watts, Washington State Budget and Policy Center; Sara Robbins, Solid Ground; Traci Underwood, Washington State Coalition Against Domestic Violence; Omar Cuevas Vega, Statewide Poverty Action Network; Jennifer Fagan; and Laurie Lippold, Partners for Our Children.

Persons Testifying (Appropriations): (In support) Davie Hlebain and Alex Hur, Statewide Poverty Action Network.

(Other) Babs Roberts, Department of Social and Health Services.

Persons Signed In To Testify But Not Testifying (Human Services & Early Learning): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.