

# HOUSE BILL REPORT

## SHB 2441

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### As Amended by the Senate

**Title:** An act relating to improving access to temporary assistance for needy families.

**Brief Description:** Improving access to temporary assistance for needy families.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Entenman, Fitzgibbon, Senn, Gregerson, Kilduff, Stonier, Davis, Macri, Ortiz-Self, Riccelli, Pettigrew, Pollet, Goodman, Wylie and Doglio).

#### **Brief History:**

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

Human Services & Early Learning: 1/22/20, 1/24/20 [DP];  
Appropriations: 2/6/20, 2/11/20 [DPS].

##### **Floor Activity:**

Passed House: 2/14/20, 57-41.  
Senate Amended.  
Passed Senate: 3/5/20, 32-17.

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

- Requires the Department of Social and Health Services (DSHS) to reduce a family's Temporary Assistance for Needy Families (TANF) cash grant after two months of continuous noncompliance with work or work activity requirements.
- Adds hardship criteria for extensions to TANF time limits.
- Directs the DSHS to conduct outreach to families terminated due to time limits on or after January 1, 2015, who appear to otherwise meet the expanded time-limit extension criteria and to encourage them to reapply for assistance.

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### HOUSE COMMITTEE ON HUMAN SERVICES & EARLY LEARNING

**Majority Report:** Do pass. Signed by 7 members: Representatives Senn, Chair; Callan, Vice Chair; Frame, Vice Chair; Goodman, Kilduff, Lovick and Ortiz-Self.

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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.*

**Minority Report:** Do not pass. Signed by 4 members: Representatives Dent, Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Corry and Klippert.

**Staff:** Dawn Eychaner (786-7135).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Ormsby, Chair; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Cody, Dolan, Fitzgibbon, Hansen, Hudgins, Kilduff, Macri, Pettigrew, Pollet, Ryu, Senn, Springer, Sullivan, Tarleton and Tharinger.

**Minority Report:** Do not pass. Signed by 12 members: Representatives Stokesbary, Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Corry, Dye, Hoff, Kraft, Schmick, Steele, Sutherland and Ybarra.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Mosbrucker.

**Staff:** Linda Merelle (786-7092).

### **Background:**

Temporary Assistance for Needy Families (TANF) is a federal block grant that provides temporary cash assistance, subsidized childcare, and work programs for low-income families. 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.

The TANF program is administered by the Department of Social and Health Services (DSHS).

### Work Participation and Sanctions.

Federal law and state rules require a reduction or termination of a family's TANF benefits 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 "noncompliance sanction."

A family's TANF grant is reduced by one person's share or 40 percent, whichever is more, when a recipient is in noncompliance sanction. After two months in noncompliance sanction, the recipient's case is closed.

The DSHS may waive sanction policies if the recipient refuses to participate in work for good cause. Examples of good cause reasons for failure to participate include when the recipient is a parent or other relative personally caring for a child under age 6 and appropriate

care necessary for the recipient to participate is not available or when the recipient is a parent of a child under age 2.

#### 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. For federal fiscal year 2018, 4.9 percent of the state's caseload was exempt from the 60-month limit.

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.

In 2019 homelessness was added as a qualifying hardship for an extension to the 60-month limit. For this purpose, "homeless" is defined as an individual living outside or in a building not meant for human habitation or which they have no legal right to occupy, in an emergency shelter, or in a temporary housing program which may include a transitional and supportive housing program if habitation time limits exist.

#### **Summary of Substitute Bill:**

##### Work Participation and Sanctions.

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 two months of continuous noncompliance, the family's grant must be reduced by the recipient's share or 40 percent, whichever is greater. The DSHS may not terminate the grant. The DSHS is required to waive sanction policies for recipients who refuse to engage in work for good cause.

##### 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's family:
  - includes a child or youth who is without a fixed, regular, and adequate nighttime residence as described in the McKinney-Vento Homeless Assistance Act; or
  - is at substantial risk of losing housing or housing support services; or
- 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; or
  - demonstrates another basis by which the time limit would cause undue hardship to the recipient or the recipient's family.

The existing definition of "homeless person" for extensions to the 60-month time limit is removed.

The DSHS must conduct outreach to families terminated on or after January 1, 2015, due to TANF time limits and who appear to meet the new hardship criteria. The DSHS must use all known contact information for families, including information available through client files for other DSHS-administered programs, to notify families of the policy change and encourage them to reapply for assistance.

#### Reporting on Benefit Reductions and Terminations.

By December 31 each year, the DSHS must report to the Governor and the Legislature disaggregated data identifying the race of individuals whose TANF benefits were reduced or terminated during the preceding year due to sanction or reaching the 60-month limit. If the disaggregated data shows a disproportionate representation of any racial group that has experienced historic disparities, the DSHS must describe steps it is taking to address and remedy the disproportionality.

#### **EFFECT OF SENATE AMENDMENT(S):**

##### The Senate amendment:

- removes the provisions related to expanding hardship criteria for time limit extensions;
- removes the requirement for the DSHS to report data on the race of individuals whose benefits were reduced or terminated due to noncompliance sanction or time limits;
- removes the requirement for the DSHS to conduct outreach to families terminated due to time limits on or after January 1, 2015;
- removes the requirement for the DSHS to review a recipient's case to ensure that barriers to work activities are considered and necessary revisions to the recipient's Individual Responsibility Plan made prior to imposing sanctions for noncompliance with work activities;
- requires the DSHS to terminate a recipient's grant after 12 months of continuous noncompliance;
- provides that the Act applies prospectively only and not retroactively; and
- adds a null and void clause.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for sections 1 and 3, relating to exemptions from the 60-month time limit and sanctions for nonparticipation in WorkFirst activities, which take effect July 1, 2021.

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

(In support) When a family is receiving TANF benefits, the state is their last and best hope. The state should not give up on these families. Family sanctions are unfair, and punish children, and can drive families into homelessness. Families should not be penalized because they did not meet criteria to be in compliance. Data shows that African American/Black, indigenous, and Hispanic families are more likely to experience a full family sanction. The punitive TANF policies implemented during the recession saved the state money but have brought tremendous difficulty to families. A decade of cuts in the TANF program have resulted in fewer families receiving benefits. The TANF grant plays a critical role in helping families meet basic needs, such as purchasing diapers, clothing, and housing. Helping families with TANF benefits should not include punishing them for being poor. Families are doing what they can to survive. It is traumatizing to children to see their parents struggle. Punitive sanctions and arbitrary time limits hurt the families who need help the most. Allowing families to receive benefits beyond the 60-month limit will greatly help them. African American/Black and indigenous families in this region are already facing countless exclusionary policies that have kept people of color from economic prosperity. Research shows that for white families, there must be compounding events and circumstances that are catastrophic in order to force them into deep poverty and homelessness. For families of color, this can be as simple as a missed rent payment. Poverty can trap victims of domestic violence in an abusive relationship. Extensions to the 60-month limit exist for domestic violence victims, but many victims do not tell their caseworkers they are experiencing violence for a variety of reasons. This will help survivors of violence to create stable lives for themselves and their children without losing the cash assistance that keeps them and their children stable. Adverse childhood experiences, such as living with a parent with mental health issues, lack of adequate food, and other trauma, can have a ripple effect later into the lives of children. In 2011 Washington was one of the harshest states for cuts to the TANF program, and most other states have restored fiscally driven recessionary cuts. Several states do not cut off the kids when a time limit is reached.

(Opposed) None.

(Other) The average TANF benefit is just over \$14 per day for a family. Reporting data on racial disproportionality is consistent with the work the DSHS is undertaking. Federal requirements require states to meet work participation rates (WPR), which could subject the state to federal penalties. The proposed policies could put meeting the WPR at risk. Implementing a change of this significance in the timeframe of the bill would be challenging. The DSHS has an aging mainframe system and requests an effective date of 2022 to implement the policies. The DSHS is concerned with the retroactive provision.

#### **Staff Summary of Public Testimony (Appropriations):**

(In support) Temporary Assistance for Needy Families is a lifeline. It helps clients get by. More than 30 percent of the TANF recipients who were terminated in the last two years were homeless. Families are put at risk of eviction when they lose TANF. Recipients who are Native American or black experience a disproportionate impact. One goal is to reduce racial disproportionality. The harsh timelines have resulted in families being kicked off this crucial lifeline. This bill will roll back the policies put in place several years ago. People are genuinely down on their luck. Temporary Assistance for Needy Families is the right thing to do.

(Opposed) None.

(Other) Children represent about 73 percent of the caseload. The bill aims to increase access to assistance for persons living in deep poverty. Applying the policies in the bill retroactively will be very difficult and very costly. Implementation may pose a legal risk for the DSHS. The DSHS proposes a delayed effective date to May 1, 2022, and proposes outreach to families to encourage reapplication for assistance instead of applying the provisions retroactively.

**Persons Testifying** (Human Services & Early Learning): (In support) Representative Entenman; Marcy Bowers, Statewide Poverty Action Network; Christianna Clinton; Grete Schultz, Solid Ground; Andrea Caupain, Byrd Barr Place; Pamela Duncan, Metropolitan Development Council; Ilene Stohl, Washington State Coalition Against Domestic Violence; Liz Scott, Center on Budget and Policy Priorities; and Caroline Hogan, Washington Chapter of the American Academy of Pediatrics.

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

**Persons Testifying** (Appropriations): (In support) Tom Long, Washington Chapter of American Academy of Pediatricians; Alex Hur, Statewide Poverty Action Network; Julie Watts, Washington State Budget and Policy Center; and Jeff DeLuca, Washington State Community Action Partnership.

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

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

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