

# SENATE BILL REPORT

## SB 6478

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As of January 29, 2020

**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.

**Sponsors:** Senators Nguyen, Darneille, Stanford, Saldaña, Dhingra, Das and Hasegawa.

**Brief History:**

**Committee Activity:** Human Services, Reentry & Rehabilitation: 1/22/20.

**Brief Summary of Bill**

- Expands hardship reasons a Temporary Assistance for Needy Families (TANF) recipient is exempt from the 60-month time limit for TANF benefits.
- Allows, rather than requires, the Department of Social and Health Services (DSHS) to reduce a family's TANF grant due to non-compliance and removes the option to terminate the grant.
- Prohibits DSHS from requiring TANF applicants to attend an orientation as a condition of eligibility.
- Directs DSHS to revise the comprehensive study of living costs that the standard of need for TANF is based upon.
- Directs DSHS to base the standards for the Pregnant Women Assistance and the State Family Assistance programs on the revised comprehensive study.
- Specifies the act applies prospectively only, and not retroactively.

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**SENATE COMMITTEE ON HUMAN SERVICES, REENTRY & REHABILITATION**

**Staff:** Alison Mendiola (786-7488)

**Background:** Temporary Assistance for Needy Families. TANF was created under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. TANF is

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a federal block grant providing temporary cash assistance, subsidized childcare, and work programs for families. States use TANF block grants to operate their own programs. State programs differ, but operate in accordance with the following purposes set forth in federal law:

- providing assistance to needy families so children may be cared for in their own homes or in the homes of relatives;
- ending the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- preventing and reducing the incidence of out-of-wedlock pregnancies and establishing annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- encouraging the formation and maintenance of two-parent families.

WorkFirst. WorkFirst is Washington State's TANF program which was initiated in 1997. Since 2014, attending a WorkFirst orientation is a condition of eligibility for all TANF recipients who must participate in WorkFirst. With limited exceptions, adult recipients of TANF benefits must participate in one or more WorkFirst activities. These activities may include paid and unpaid employment-based training programs, career development, community service, work skills assessment and job hunting training, and participation in vocational training programs. Federal law requires states to meet a work participation rate for adult TANF recipients. States not meeting the work participation rate may be subject to penalty. Other provisions include:

- DSHS may permanently disqualify an adult from TANF benefits if that adult has been terminated due to a WorkFirst noncompliance sanction three or more times since March 1, 2007; and
- if a recipient refuses to engage in work and work activities, the family's grant is reduced by the recipient's share, and may terminate the grant if DSHS determines it is appropriate.

There are a number of restrictions DSHS may impose on a TANF recipient, including exempting a family from the federal time limit of receiving TANF benefits for 60 months after July 27, 1997, in certain circumstances, such as if the recipient is homeless, by reason of hardship, or if the recipient meets the family violence options under federal law. Federal law limits hardship exemptions to 20 percent of the caseload.

Washington Needs Standard. The Cash Program Needs Standard is updated annually, as required by statute, which directs DSHS to establish consolidated standards of need each year for cash programs based on actual living costs and recognized inflation. The TANF grant amount cannot exceed the need standard. In determining the needs standard, in 1991 DSHS conducted a market basket survey for items such as shelter, fuel, food, transportation, clothing, household maintenance and operations, and personal maintenance and incidentals. Each year this list is used, and the Consumer Price Index inflation is applied to determine the current cost. This need standard is updated annually in rule.

The Pregnant Women Assistance Program. The Pregnant Women Assistance Program (PWA) was created by the Legislature in 2011. PWA is a state funded program that provides cash assistance to low-income pregnant individuals who are not eligible for TANF due to the 60-month time limits or the State Family Assistance (SFA) program for a reason other than not

cooperating with TANF program rules. This program provides a maximum monthly cash grant of \$197. To be eligible, the individual must reside in Washington, be pregnant, meet income and resource requirements, and meet citizenship or alien status requirements.

State Family Assistance. A person may be eligible for SFA if they are ineligible for TANF for specific reasons and the family meets the following requirements:

- the applicant is a 19 or 20 year old student meeting the education requirements provided in rule;
- the applicant is a caretaker relative of a 19 or 20 year old student meeting the education requirements as provided in rule; or
- the applicant is a pregnant woman who has been convicted of misrepresenting their residence to receive benefits from two or more states at the same time.

**Summary of Bill:** Temporary Assistance for Needy Families, Eligibility, and Other Conditions. A number of changes are made to a recipient's eligibility for TANF, benefit level, and other conditions.

DSHS must add additional adopted rules related to time-limit extensions by reason of hardship, including if the recipient:

- is participating satisfactorily in the program;
- is temporarily prevented from working or looking for a job;
- needs mental health or substance use disorder treatment; or
- demonstrates another basis by which the 60-month time limit would cause undue hardship to the recipient or the recipient's family.

TANF applicants can not be required to attend an orientation as a condition of eligibility. However, DSHS may incorporate orientation information into the recipient assessment.

If a recipient refuses to engage in required DSHS work and work activities, DSHS must review the recipient's case to ensure DSHS has taken into consideration any barriers to work activities and made any necessary revisions to the recipient's individual responsibility plan. As part of the review, DSHS must consider:

- whether the recipient was provided adequate notice and opportunity to remedy the recipient's noncompliance with program requirements; and
- if there are good cause reasons for failure to participate, pursuant to statute, before imposing sanctions.

After four months of continuous noncompliance with work and work activities, the family's grant may be reduced by the recipient's share or by 40 percent, whichever is greater.

Washington Needs Standard. The needs standard for TANF is expanded to the PWA and SFA. The household budget items include out-of-pocket costs a recipient may incur for child care and health care.

Revised Comprehensive Study of Costs. The revised comprehensive study of costs are:

1. By September 1, 2020, DSHS must submit to the Office of Financial Management (OFM), the Legislative-Executive WorkFirst Poverty Reduction Task Force (Task

- Force), and the Legislature, a revised comprehensive study of living costs. Living costs must be updated annually according to recognized inflation indices.
2. By September 1, 2022, and every four years thereafter, DSHS must adjust the estimated base costs to a consumer for household budget items used in the study, in addition to annual adjustments for inflation.
  3. By September 1, 2029, and every ten years thereafter, DSHS must submit a redesigned and updated comprehensive study to OFM, the Task Force, and the Legislature. When completing each ten-year redesign, DSHS must adjust study parameters, including costs categories and geographic boundaries, as needed.

The act applies prospectively only, not retroactively.

**Appropriation:** None.

**Fiscal Note:** Requested on January 17, 2020.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill contains several effective dates. Please refer to the bill.

**Staff Summary of Public Testimony:** PRO: There were many reductions to public assistance programs during the recession, no wonder so many more people are homeless. We need to create a stable environment for working families. The cutbacks during the recession saved the state money but created a lot of harm to families due to punitive policies. Those who met the 60-month time limit are the most in need. Also, there is disproportionality in how sanctions are applied. The provisions of this bill address these issues. Eliminating full family sanctions helps families get back on track. WorkFirst should support families instead of focusing on rigid compliance. Poverty has last consequences to brain development so we should provide more financial and social supports at the front end. In 2018 one-third of the families cut off TANF were homeless. You shouldn't penalize children when the families need help. The second biggest risk factor for experiencing domestic violence is financial instability. While DV survivors can get an exemption, either they don't know or they are afraid to come forward. In Washington, only 7% of the caseload have disclosed DV which means there are a lot of survivors who rely on TANF without a time limit extension. It takes a long time to get safe and stable. Communities of color disproportionately impacted by homelessness. It takes very little to fall into poverty, an increase in rent or child care can spiral a family into deep poverty. We need more resources to get families out of deep poverty. Federal law is designed so that a state gets as much credit for cutting a family off as meeting work participation rates. Under federal law 50% of families engage in work participation, but that target is reduced by caseload decline. The target for WA is 2.4% so we have enough space to expand our time limit extensions. Even with an increase in caseload or a recession, there are plenty of alternatives, we are not at risk of not meeting our work participation rates.

OTHER: The State is required to meet a work participation rate so if you exempt too many people from WorkFirst, the State could be at risk of noncompliance. This bill would allow 4 months of nonparticipation before sanction but only 3 of those months can be excluded from the work participation rate.

**Persons Testifying:** PRO: Senator Joe Nguyen, Prime Sponsor; Marcy Bowers, Statewide Poverty Action Network; Christianna Clinton; Grete Schultz, Solid Ground; Sally Peach, Pediatrician, Washington Chapter of the American Academy of Pediatrics; Liz Scott, Center on Budget & Policy Priorities; Traci Underwood, Washington State Coalition Against Domestic Violence; Alex Hur, Statewide Poverty Action Network.

OTHER: Babs Roberts, DSHS/ESA/CSD.

**Persons Signed In To Testify But Not Testifying:** No one.