

SENATE BILL REPORT

SB 6575

As of February 3, 2020

Title: An act relating to creating the economic assistance reinvestment account.

Brief Description: Creating the economic assistance reinvestment account.

Sponsors: Senators Darneille, Nguyen, Wilson, C., Cleveland, Hasegawa and Saldaña.

Brief History:

Committee Activity: Human Services, Reentry & Rehabilitation: 2/04/20.

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Creates the economic assistance reinvestment account in the state treasury.

SENATE COMMITTEE ON HUMAN SERVICES, REENTRY & REHABILITATION

Staff: Alison Mendiola (786-7488)

Background: Caseload Forecast Council Forecasts and Maintenance Level Costs. The Caseload Forecast Council (CFC) is responsible for preparing and approving official state caseloads that project the populations expected to meet entitlement requirements and services. Caseloads are prepared for the following:

- public assistance programs;
- state correctional institutions;
- state correctional non-institutional supervision;
- state institutions for juvenile offenders;
- public school systems;
- long-term care;
- medical assistance;
- foster care;
- adoption support;
- the Washington College Bound Scholarship Program; and
- the number of children eligible to participate in, and number of children actually served by, the Early Childhood Education and Assistance Program.

The CFC also forecasts:

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 Temporary Assistance for Needy Families (TANF) and Working Connections Child Care programs;
- the youth participating in the Extended Foster Care program separately from other children residing in foster care and who are under 18 years of age; and
- the number of youth expected to receive behavioral rehabilitation services while involved in the foster care system and the number of screened in reports of child abuse and neglect.

Expenditures for the following foster care, adoption support and related services, and child protective services must be forecasted and budgeted as maintenance level costs:

- behavioral rehabilitation services placements;
- social workers and related staff to receive, refer, and respond to screened-in reports of child abuse or neglect;
- court-ordered parent-child and sibling visitations delivered by contractors; and
- those activities currently being treated as maintenance level costs for budgeting or forecasting purposes including, but not limited to adoption support and other adoption-related expenses; foster care maintenance payments; child-placing agency management fees; support goods such as clothing vouchers; child aides; and child care for children in foster or relative placements when the caregiver is at work or in school.

Temporary Assistance for Needy Families. TANF is a federal block grant established under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The TANF program replaced the Aid to Families with Dependent Children program, which provided grants to poor families with children since the 1930s. 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:

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

In addition to money received from the federal government, states are required to spend their own funds on programs for needy families or face financial penalties; this is referred to as the maintenance of effort, or MOE, requirement. Washington State's TANF program is called WorkFirst and is administered by the Department of Social and Health Services (DSHS).

State Family Assistance Program. The State Family Assistance Program provides state-funded cash assistance for legal immigrant families, students ages 19 to 20, and pregnant woman in need who are ineligible to receive TANF. The family unit must include a child, or a pregnant woman with no other children. Applicants must otherwise meet all the eligibility requirements of TANF, including, but not limited to, income and asset limits.

Entitlement programs, such as TANF, are budgeted based on forecasted caseloads. When caseloads increase or decline, budgets are adjusted to reflect a larger or smaller population that is receiving the benefits. According to the Economic Services Administration of the DSHS's briefing book, the TANF and State Family Assistance caseload declined from 65,127 in FY 2011 to 25,422 in FY 2019.

Summary of Bill: The economic assistance reinvestment account (Account) is created in the custody of the state treasurer. Money in the Account may only be spent after appropriation and may be used solely for expanding access to the TANF program with priority given first to those who are homeless, as defined by the federal McKinney-Vento homeless housing assistance act, and then to those who are at substantial risk of losing stable housing or housing support services as described by the essential needs and housing support program.

Revenues to the Account consist of savings to the state general fund resulting from reductions in TANF caseloads and per capita costs as calculated and transferred into the account under this Act and any other public or private funds appropriated or deposited in the Account.

Methodology. DSHS, in collaboration with the Office of Financial Management (OFM) and CFC must develop a methodology for calculating the savings in this Act. The methodology is to be used for the 2019-2021 biennium, and each subsequent biennium. The methodology must establish a baseline for calculating savings. The savings must be based on actual caseload and per capita expenditures. By December 1, 2020, DSHS must submit a proposed methodology to the Governor and appropriate committees of the Legislature. The methodology is considered approved unless the Legislature enacts legislation to modify or reject the methodology.

DSHS must use the methodology to calculate savings to the state general fund for transfer into the economic assistance reinvestment account in fiscal year 2021, and each subsequent biennium. Savings calculated by DSHS are not subject to the savings incentive account. DSHS must report the amount of the state general fund savings achieved to OFM and the fiscal committees of the Legislature at the end of each fiscal year. OFM must notify the state treasurer the amount of state general fund savings for transfer into the Account.

Nothing in this act prohibits the CFC from forecasting the TANF caseload or DSHS from including maintenance funding in its budget submittal for caseload costs exceeding the baseline as established in this Act.

Appropriation: None.

Fiscal Note: Requested on January 26, 2020.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.