

HOUSE BILL REPORT

2SSB 5241

As Reported by House Committee On:
Housing, Human Services & Veterans
Appropriations

Title: An act relating to promoting economic inclusion for people experiencing poverty.

Brief Description: Promoting economic inclusion.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Dhingra, Nguyen, Darneille, Das, Hasegawa, Hunt, Keiser, Lias, Nobles, Saldaña, Stanford and Wilson, C.).

Brief History:

Committee Activity:

Housing, Human Services & Veterans: 3/18/21, 3/23/21 [DP], 2/17/22, 2/22/22 [DPA];
Appropriations: 2/24/22, 2/28/22 [DPA(HHSV)].

**Brief Summary of Second Substitute Bill
(As Amended By Committee)**

- Creates local economic inclusion grants, subject to appropriation, to be administered by the Employment Security Department (ESD) in partnership with other agencies and distributed to local communities.
- Establishes requirements for recipients of the local economic inclusion grants.
- Requires annual reporting by the ESD on progress and other information regarding the local economic inclusion grants to the Governor, Legislature, and the Legislative Executive WorkFirst Poverty Reduction Task Force.

HOUSE COMMITTEE ON HOUSING, HUMAN SERVICES & VETERANS

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass as amended. Signed by 8 members: Representatives Peterson, Chair; Taylor, Vice Chair; Gilday, Ranking Minority Member; Barkis, Assistant Ranking Minority Member; Bateman, Chopp, Donaghy and Leavitt.

Minority Report: Without recommendation. Signed by 1 member: Representative Jacobsen.

Staff: Lena Langer (786-7192).

Background:

Legislative-Executive WorkFirst Poverty Reduction Oversight Task Force.

The Legislative-Executive WorkFirst Poverty Reduction Oversight (Task Force) oversees the operation of the WorkFirst and Temporary Assistance for Needy Families (TANF) programs. The voting membership of the Task Force is comprised of eight state agency representatives and eight members of the Legislature. The state agency partners provide staff support to the Task Force. Agency partners include the Department of Social and Health Services (DSHS); the Department of Commerce (COM); the Department of Children, Youth, and Families (DCYF); the Employment Security Department (ESD); the Office of the Superintendent of Public Instruction; the Department of Health; the Department of Corrections; and the State Board for Community and Technical Colleges. In 2019, the Task Force published its Five-Year Plan to Reduce Intergenerational Poverty and Promote Self-Sufficiency.

Poverty Reduction Work Group/Steering Committee.

The Poverty Reduction Work Group (Work Group) was established by the Governor in 2017 and evolved into the Poverty Reduction Steering Committee (Steering Committee), which advises the Task Force. Legislative and executive branch membership of the Task Force and Work Group overlap to some extent, with additional members representing other public and private entities. In 2020, the Work Group published The 10-Year Plan to Dismantle Poverty in Washington with the goal of building a just and equitable future in which all of Washingtonians have their foundational needs met, and the resources and the opportunities they need to thrive.

Measures of Economic Recovery.

An affiliate of the Steering Committee, the Technical Advisory Group (TAG) on Economic Recovery is comprised of state agency members and representatives of organizations focused on poverty reduction. The TAG published "Proposed Vision, Measures, and Process Toward a Just & Equitable Future" in March 2021. The TAG recommends annual and interim reporting on various outcomes and conditions that define and guide economic recovery efforts, including a measure of the number of people living above the University of Washington Self-Sufficiency Standard (SSS) as a baseline of economic well-being.

Self-Sufficiency Standard.

The University of Washington has created the SSS to measure the income necessary to meet a household's basic needs without public assistance. The SSS varies by county and household composition, both in the age of the household members and the size of the household. For example, the SSS for a household consisting of one adult and two children in Thurston County was \$56,279 in 2020.

2021 Federal Poverty Guideline.

Many federally funded programs use the federal poverty guidelines adopted annually by the United States Department of Health and Human Services to determine eligibility for public assistance. The poverty guidelines vary by household size, but not by geographic location or age of household members. The 2022 federal poverty guideline for a household of three is an annual income at or below \$23,030. Two hundred percent of the guideline for a household of three is \$46,060.

Summary of Amended Bill:

Economic Inclusion Grants.

The ESD, in consultation with the DSHS, the COM, the DCYF, the Washington State Health Care Authority (HCA), the Steering Committee, and other stakeholders identified by the ESD, must oversee the implementation of economic inclusion grants for local communities. The grants are to promote equity, economic inclusion, and a stable financial foundation for people experiencing poverty, with a focus on people of color and people in rural counties. People experiencing poverty are defined as households with incomes at or below 200 percent of the federal poverty level.

The primary purpose of the grants is to empower and incentivize local communities to coordinate existing poverty reduction resources and benefits, and to improve access through system coordination.

Subject to available funds, grants must be made available statewide with an emphasis on economically distressed communities as defined by the ESD.

Economic Inclusion Grant recipients must:

- coordinate with existing local providers to make benefits easier to access;
- provide input to inform the work of developing a list of federal waivers to remove federal barriers to coordinating service delivery;
- utilize the existing local Workforce Development Councils (WDC) to develop local economic inclusion grant partnerships that must include people experiencing poverty, people of color, homelessness programs, and representatives of the HCA Community Service Offices, Accountable Communities of Health, and Associate Development Organizations;
- coordinate leadership among the local WDC, Associate Development Council, and other organization, and utilize the WDC as the fiscal agent;

- work with people experiencing poverty to ensure they have access to multiple benefits to help them meet their basic needs, in alignment with local care coordination efforts, and develop individualized career plans (ICP) leading to a self-sufficiency wage established by the SSS;
- provide streamlined access to local partners who can pay for education or training elements of a person's ICP using federal Pell Grants, the Washington College Grant, or other resources;
- provide streamlined access to local partners who can make monthly payments to the low-income person while in training using existing resources such as incentive payments, work study payments, and others to maximize total benefits available to the person while not reducing other public benefits;
- develop a local economic inclusion grant coordination team through the local WDC to ensure easier access to all state and local government services and identify staff to be Care and Benefits Navigators (CBN) using existing community coordinators and navigators if available. The CBN must provide one-stop access to benefits available to people experiencing poverty;
- encourage people served to apply for and, if eligible, receive: Supplemental Nutritional Assistance Program benefits, TANF, Medicaid, Workforce Innovation and Opportunity Act supportive services, or other financial and health benefits. To the extent allowed by federal law, access to benefits may not be conditioned upon seeking employment or limited to individuals pursuing ICPs;
- ensure equitable access to state and local government services for people with disabilities, which may include equipment and technology purchases;
- identify where federal barriers hinder efforts to coordinate benefits and elevate those issues to the ESD;
- ensure options for career development, English language learners, and other services for both parents in two-parent families, including child care if desired by the family; and
- when available, use the local and state teams that currently exist for similar efforts.

If an applicant has not submitted adequate documentation to participate within three months after the grant's announcement, the agencies may redistribute the unclaimed funding to other participating local areas.

The ESD must consult with the Steering Committee in the management of the grants. Members of the Steering Committee must be reimbursed for travel, child care, and other expenses associated with attending up to 12 meetings per year to provide consultative assistance to the agencies managing the economic inclusion grants.

Federal Waivers and Other Policies.

The ESD, in consultation with agency partners, the Steering Committee, and other stakeholders, must develop a comprehensive list of federal waivers to remove federal barriers to coordinating service delivery across programs and report annually to the Governor, the Legislature, and the Task Force beginning November 15, 2022. Where

waivers are not possible, the ESD must instead include information in the report about federal rules or policies that are creating barriers. The report must include progress reports, an estimate of costs avoided by the state when a person moves out of poverty, measures of equitable and inclusive economic recovery, and model legislative language to expand economic inclusion, reduce poverty, and improve service coordination.

The ESD may apply for federal waivers and propose federal law changes to make the authorizing environment better support coordinated service delivery across programs.

Measures of Economic Recovery.

The DSHS, in consultation with agency partners and the Steering Committee, must further develop measures and indicators of equitable and inclusive economic recovery already underway by the TAG, and apply those measures as needed to promote economic recovery that is racially equitable and fully inclusive of key demographics that have historically been left behind in economic recovery.

Amended Bill Compared to Second Substitute Bill:

The economic inclusion grants are to be administered by the ESD in partnership with other agencies, rather than the COM.

Recipients of economic inclusion grants are required to:

- coordinate with existing local providers to make benefits easier to access, rather than coordinate with existing poverty reduction resources and benefits to make them easier to access and get them to people who need them;
- provide input to inform the work of developing a list of federal waivers to remove federal barriers to coordinating service delivery;
- utilize the existing local WDCs to develop local economic inclusion grant partnerships, rather than develop a local leadership coalition or use or expand an existing local partnership;
- coordinate leadership among the local WDC, associate development council, and other organizations, rather than identify a fiscal agent and lead coordinator;
- work with people experiencing poverty to ensure they have access to multiple benefits, and when ready, develop ICPs leading to a self-sufficiency wage, which must be the level established by the SSS, rather than at least 200 percent of the Federal Poverty Level or the higher level established by the SSS; and
- use the local and state teams already in place for similar efforts, when available.

Language requiring recipients of economic inclusion grants to coordinate with similar federally funded or federally driven service coordination efforts as appropriate is removed.

The ESD, in consultation with agency partners, the Steering Committee, and other stakeholders, must report annually to the Governor, the Legislature, and the Task Force beginning November 15, 2022, rather than November 15, 2021.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 22, 2022.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The systems of support in the state are complicated and difficult to navigate. This bill is a step in the right direction. Helping people access the assistance they need puts them on the path to steady employment and stability. The effects of economic hardships on families and individuals are well-documented. The work outlined in the bill is critical to supporting individuals who are experiencing poverty. This bill is aligned with the Governor's budget, the Work Group's 10-Year Plan to Dismantle Poverty in Washington, and the Task Force's Five-Year Plan to Reduce Intergenerational Poverty and Promote Self-Sufficiency. Clients seeking services have repeatedly expressed that they need streamlined, human-centered one-door access to multiple services. The approach in this bill is comprehensive. Local economic inclusion grants will provide communities with more capacity to braid together the services that individuals need and harmonize programs as much as possible. This bill will also help ensure that individuals that are experiencing poverty have a leadership voice in program design and implementation of the grants.

(Opposed) None.

Persons Testifying: Marcy Bowers, Statewide Poverty Action Network; and Emily Grossman, Department of Commerce.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended by Committee on Housing, Human Services & Veterans. Signed by 33 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chandler, Chopp, Cody, Dolan, Dye, Fitzgibbon, Frame, Hansen, Harris, Hoff, Jacobsen, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

Staff: Dawn Eychaner (786-7135).

Summary of Recommendation of Committee On Appropriations Compared to

Recommendation of Committee On Housing, Human Services & Veterans:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The Poverty Reduction Steering Committee (Steering Committee) members have shared their experiences in navigating different support programs and programs' various requirements. A local approach to navigating these types of challenges makes sense. The bill as amended is aligned with the Steering Committee and the agencies working in this area. There is a proviso in the Employment Security Department budget for the Economic Security for All program that is well-aligned with this bill.

(Opposed) None.

Persons Testifying: Marcy Bowers, Statewide Poverty Action Network; and Stasha Espinosa, Employment Security Department.

Persons Signed In To Testify But Not Testifying: None.