

HOUSE BILL REPORT

2SSB 5241

As Reported by House Committee On:

Housing, Human Services & Veterans

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, Liias, Nobles, Saldaña, Stanford and Wilson, C.).

Brief History:

Committee Activity:

Housing, Human Services & Veterans: 3/18/21, 3/23/21 [DP].

Brief Summary of Second Substitute Bill

- Creates local Economic Inclusion Grants to be administered by the Department of Commerce (COM) in partnership with other agencies and distributed to local communities.
- Establishes requirements for local leadership coalitions and fiscal agents to fulfill responsibilities associated with the Economic Inclusion Grants.
- Requires annual reporting by the COM on progress, cost avoidance, measures of equitable and inclusive recovery, and model legislative language.

HOUSE COMMITTEE ON HOUSING, HUMAN SERVICES & VETERANS

Majority Report: Do pass. Signed by 9 members: Representatives Peterson, Chair; Taylor, Vice Chair; Caldier, Ranking Minority Member; Gilday, Assistant Ranking Minority Member; Barkis, Bateman, Chopp, Leavitt and Thai.

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.

Staff: Dawn Eychaner (786-7135).

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 December 2019 the Task Force published a 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. The Steering Committee recently published a Ten-Year Plan to Dismantle Poverty in Washington.

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 a "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 a 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 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 2021 federal poverty guideline for a household of three is an annual income at or below \$21,960. Two hundred percent of the guideline for a household of three is \$43,920.

Summary of Second Substitute Bill:

Economic Inclusion Grants.

The COM, in consultation with the DSHS, the ESD, the DCYF, the Washington State Health Care Authority (HCA), and the Steering Committee, 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 provide better coordination of existing programs and resources, 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 COM.

Economic Inclusion Grant recipients must:

- coordinate existing poverty reduction resources and benefits to improve access for those in need;
- identify federal regulations that prevent better local coordination and the need for additional state or federal funding for continuous improvement of the poverty reduction system in future years;
- develop a local leadership coalition or use an existing local partnership that must include people experiencing poverty, people of color, homelessness programs, and representatives of the Workforce Development Council (WDC), the HCA Community Service Offices, Accountable Communities of Health, and Associate Development Organizations (ADO);
- identify a fiscal agent and lead coordinator that is either an ADO, WDC or other organization with demonstrated capacity to fulfill the responsibilities of a fiscal agent as defined by the COM;
- 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 or 200 percent of the federal poverty level;
- 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 work study payments and others to maximize total benefits available to the person while not reducing other public benefits;
- develop a local coordination team 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 COM;
- 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
- coordinate with similar federally funded or driven service coordination efforts as appropriate.

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 COM 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 COM and partner agencies.

Federal Waivers and Other Policies.

The COM, in consultation with agency partners and the Steering Committee, 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, 2021. Where waivers are not possible, the COM 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 COM 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.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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

Staff Summary of Public Testimony:

(In support) This bill is a result of collaboration between agencies, the Work Group, and the Task Force. The state must do more than simply help people to survive and instead focus on how people can thrive, have a plan to exit poverty and generate wealth. This bill is a different approach to how services are provided and gets at the issue of intergenerational poverty. The Task Force has heard from people with experience living in poverty who provided important insights into the recommendations included in this bill. Members of the Work Group have shared agonizing stories of trying to navigate a complex systems of support to families, such as being required to work 20 hours for one program and no more than 19 hours for another, as well as having to tell their traumatic stories over and over again to access benefits. This bill is the right thing to do and a worthy investment because its ability to help the state avoid future costs, such as the impacts of homelessness.

This policy includes critical work to help people of color, people in rural communities, and people in distressed areas to overcome poverty, and is in alignment with the Task Force's Five-Year Plan and Work Group's Ten-Year Plan. These policies are short-term and long-term improvements that would empower local leaders to help families move out of poverty and for those who are ready to move into a career. This would help develop career plans and move to a self-sufficient wage. The Work Group's Ten-Year Plan was developed by organizations across the state and this bill is directly responsive to that plan. The state agency partners and the Governor's budget are in support of this bill.

(Opposed) None.

Persons Testifying: Senator Dhingra, prime sponsor; Tim Probst, Washington State

Employment Security Department; and Marcy Bowers, Statewide Poverty Action Network.

Persons Signed In To Testify But Not Testifying: None.