

SENATE BILL REPORT

SHB 1151

As Reported by Senate Committee On:
Human Services, Reentry & Rehabilitation, March 16, 2021
Ways & Means, March 22, 2021

Title: An act relating to bolstering economic recovery by providing public assistance to households in need.

Brief Description: Bolstering economic recovery.

Sponsors: House Committee on Housing, Human Services & Veterans (originally sponsored by Representatives Leavitt, Shewmake, Peterson, Bronoske, Entenman, Stonier, Bateman, Chopp, Frame, Hackney, Callan, Pollet, Gregerson, Senn and Johnson, J.).

Brief History: Passed House: 2/25/21, 82-16.

Committee Activity: Human Services, Reentry & Rehabilitation: 3/12/21, 3/16/21 [DP-WM, w/oRec].

Ways & Means: 3/18/21, 3/22/21 [DP, DNP, w/oRec].

Brief Summary of Bill

- Allows Consolidated Emergency Assistance to be provided more than once in a 12-month period when directed by the Governor during a state of emergency.
- Provides a one-time cash benefit and transitional food assistance to certain qualifying households.
- Directs the Department of Social and Health Services to update the standards of need for cash assistance programs.

SENATE COMMITTEE ON HUMAN SERVICES, REENTRY & REHABILITATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Darneille, Chair; Nguyen, Vice Chair; Gildon, Ranking Member;

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.

McCune, Saldaña and Wilson, C.

Minority Report: That it be referred without recommendation.
Signed by Senator Dozier.

Staff: Alison Mendiola (786-7488)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Honeyford, Assistant Ranking Member, Capital; Carlyle, Darneille, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Liias, Mullet, Pedersen, Van De Wege and Wellman.

Minority Report: Do not pass.

Signed by Senator Schoesler, Assistant Ranking Member, Capital.

Minority Report: That it be referred without recommendation.

Signed by Senators Brown, Assistant Ranking Member, Operating; Braun, Muzzall and Warnick.

Staff: Sarah Emmans (786-7478)

Background: Consolidated Emergency Assistance. The Consolidated Emergency Assistance Program (CEAP) provides emergency cash assistance to qualifying families with children. CEAP benefits are limited to one time within any 12-month period and are intended to alleviate emergent conditions resulting from insufficient income and resources to provide food, shelter, clothing, medical care, and other necessary items and services. Families must meet income requirements and be ineligible for other cash assistance programs to receive benefits.

During a state of emergency and pursuant to an order from the Governor, the Department of Social and Health Services (DSHS) may extend CEAP to individuals and households without children. In February 2020, the Governor issued Proclamation 20-05, declaring a statewide emergency in response to COVID-19. Subsequent gubernatorial proclamations, expanded eligibility for CEAP benefits to individuals and families without children. DSHS created the Disaster Cash Assistance Program (DCAP) to expand CEAP for this purpose, and activated DCAP in April 2020. DCAP, and expanded eligibility for households without children, ended in January 2021.

Through Chapter 3, Laws of 2021 (federal funding/COVID-19), the Legislature appropriated \$12 million for the Disaster Cash Assistance Program, pursuant to the proposed changes in HB 1151, and provided that the funding will lapse if HB 1151 is not

enacted by April 1, 2021.

Cash and Food Assistance. The Supplemental Nutrition Assistance Program, also referred to as Basic Food, provides food benefits to eligible low-income households. A household is considered categorically eligible for Basic Food when all members of the household receive, or are authorized to receive, payments or services from certain programs, or the household income is at or below 200 percent of the federal poverty guidelines.

The Temporary Assistance for Needy Families (TANF) Program provides a cash benefit for qualifying low-income households with children. Families receiving TANF are categorically eligible for Basic Food. Most TANF recipients are limited to a lifetime maximum of 60 months of benefits. When a household reaches this 60-month limit, DSHS provides Transitional Food Assistance (TFA) to the family for five months.

Standards of Need. DSHS has established consolidated standards of need for certain cash assistance programs. The standards represent the amount of income required for a household to maintain a minimum and adequate standard of living. The standards are based on household size and include basic requirements for food, clothing, shelter, and other household costs. The standards are based on studies of living costs and are updated annually according to inflation. Cash assistance grant amounts cannot exceed the identified need standard. Today's standards of need are based on a 1991 study of living costs. Current cash grant standards are lower than the standard of need.

DSHS has the authority to adopt a separate standard for shelter provided at no cost. Prior to September 2020, separate need and payment standards were in place for households with shelter provided at no cost. In September 2020, DSHS adopted rules repealing references to the separate standards and no longer issues reduced grants based on shelter being provided at no cost.

Summary of Bill: Consolidated Emergency Assistance. CEAP benefits may be provided more than once within a 12-month period if established in an executive order by the Governor. This provision takes effect immediately upon enactment.

Cash and Food Assistance. Households with children receiving food benefits, and not simultaneously receiving TANF, are eligible to receive a one-time, state-funded cash benefit in the final month of eligibility when the household's food benefits terminate. Termination may be due to exceeding income limits, or if the household voluntarily leaves the program. The amount of the cash benefit is determined by available funds appropriated for this purpose. Households that receive the cash benefit are also eligible to receive five months of TFA.

Standards of Need. By July 1, 2022, DSHS must use an existing, broadly used national standard and revise the study of living costs that the standards of need for cash assistance are based upon. Cell phone, Internet, and out-of-pocket costs for child care and health care

are added to the household budget items that must be included in the study of living costs. The statutory authority for DSHS to adopt a separate standard for shelter provided at no cost is removed.

Appropriation: The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

Fiscal Note: Available.

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 (Human Services, Reentry & Rehabilitation): PRO: COVID has caused food insecurity challenges due to job loss. COVID has further impacted families lifting themselves out of poverty. Following the great recession, food insecurity peaked years after the recession so we know the pattern is likely to repeat itself with COVID. Also, more kids are going hungry where historically it would be the parents who sacrificed food to provide for their children, now the whole family is impacted. This bill also provides critical cash assistance when needed more during an emergency and allows for the cash assistance more than one time in a year and this also helps provide a smoother off ramp for families, avoiding a benefits cliff. Additionally the need standard which is the basis of TANF and other benefits, is based on a study of basic household costs in 1991. The current study accounts for stamps and sewing kits but not for cell phones and Internet. Housing costs have risen dramatically, making the current need standard outdated. Today a TANF grant is 25 percent of the outdated standard of need.

Persons Testifying (Human Services, Reentry & Rehabilitation): PRO: Representative Mari Leavitt, Prime Sponsor; Babs Roberts, Department of Social and Health Services; Lianna Kressin, Statewide Poverty Action Network; Claire Lane, Anti-Hunger and Nutrition Coalition; Liz Olson, Washington State Budget & Policy Center; Bob Cooper, National Association of Social Workers, Washington Chapter.

Persons Signed In To Testify But Not Testifying (Human Services, Reentry & Rehabilitation): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: The \$12 million appropriated in the early action spending bill are contingent upon the enactment of the bill as of April 1. During the period that DSHS offered this benefit—April 2020, through the program suspension in January 2021—there were 95,000 applications. Benefits were issued to over 65,000 recipients. Some of these people were impacted by the pandemic and the wildfires. This assistance helps families with one-time extraordinary costs that can make or break them.

Regarding transitional food assistance, this small investment of a \$10 one-time benefit will allow families to access five more months of federal food benefits. This investment will prevent food insecurity for families and allow them to strengthen their economic position.

Regarding the standard of need provisions of the bill, there is no cost to DSHS to update the standard of need so that it accurately reflects the current cost of goods and services to meet a family's basic needs. This standard is woefully outdated and needs to be modernized. It fails to account for child care, cell phone bills, and medical costs. The cost of living has been rising faster than inflation. For a household of three in Clark County, the cost of living has increased by 102 percent since 2001. Inflation captures only 51 percent of that increase.

Persons Testifying (Ways & Means): PRO: Babs Roberts, Department of Social and Health Services; Lianna Kressin, Statewide Poverty Action Network; Christina Wong, Northwest Harvest; Liz Olson, Washington State Budget and Policy Center.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.