

HOUSE BILL REPORT

ESHB 1652

As Passed House:

March 4, 2023

Title: An act relating to child support pass through.

Brief Description: Concerning child support pass through.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Taylor, Couture and Rule).

Brief History:

Committee Activity:

Civil Rights & Judiciary: 2/1/23, 2/10/23 [DP];

Appropriations: 2/22/23, 2/24/23 [DPS].

Floor Activity:

Passed House: 3/4/23, 89-7.

Brief Summary of Engrossed Substitute Bill

- Requires the Department of Social and Health Services to pass through to a family receiving Temporary Assistance for Needy Families all current child support collected each month on behalf of the family.

HOUSE COMMITTEE ON CIVIL RIGHTS & JUDICIARY

Majority Report: Do pass. Signed by 9 members: Representatives Hansen, Chair; Farivar, Vice Chair; Cheney, Entenman, Goodman, Peterson, Rude, Thai and Walen.

Minority Report: Without recommendation. Signed by 2 members: Representatives Walsh, Ranking Minority Member; Graham, Assistant Ranking Minority Member.

Staff: Yelena Baker (786-7301).

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.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 30 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; Berg, Chandler, Chopp, Connors, Couture, Davis, Dye, Fitzgibbon, Harris, Lekanoff, Pollet, Riccelli, Rude, Ryu, Sandlin, Schmick, Senn, Simmons, Slatter, Springer, Steele, Stonier and Tharinger.

Staff: Matt Mazur-Hart (786-7139).

Background:

Federal law requires each state to have a child support enforcement program that complies with federal requirements as a condition of receiving federal funds for child support enforcement and Temporary Assistance for Needy Families (TANF) programs. As a condition of receiving TANF cash benefits, a family must assign its rights to child support to the state during the months the family receives the benefits. Assigned child support collections are retained by the state and the federal government as partial reimbursement for TANF assistance.

Federal law specifies the process by which child support collected by the state on behalf of a family receiving TANF assistance is to be distributed. The state is required to forward to the federal government a certain portion of the collected support referred to as the "federal share," which varies by state. The current federal share for Washington is 50 percent, meaning that the state is required to pay to the federal government 50 percent of child support collected on behalf of a family receiving TANF assistance. The state is permitted to retain or pay to TANF families the remaining 50 percent, known as the "state share."

Federal law allows states to pass through up to \$100 per month of collected child support to TANF families with one child and up to \$200 per month of collected child support to TANF families with two or more children without having to reimburse the federal government for its share of the child support collected. This is known as the child support pass through. States that opt to implement the child support pass through must disregard the child support collection paid to the family in determining the family's cash TANF benefit. A pass-through payment is disbursed only when a child support payment has been received and does not carry over to the next month.

Washington implemented child support pass-through payments in October 2008, but suspended the child support pass-through payments effective May 1, 2011. Pursuant to legislation enacted in 2020, on February 1, 2021, the Department of Social and Health Services (DSHS) began to pass through to families receiving TANF assistance up to \$50 per month in collected child support for a family with one child and up to \$100 per month in

child support for a family with two or more children.

Summary of Engrossed Substitute Bill:

Beginning on July 1, 2024, the DSHS must pass through to a TANF family all current child support collected on behalf of the family each month.

The DSHS must disregard and not count as income any amount of current child support passed through to TANF or WorkFirst applicants or recipients when determining eligibility for and the amount of assistance.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 4, 2023.

Effective Date: The bill takes effect on July 1, 2024. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony (Civil Rights & Judiciary):

(In support) By passing through all child support money to custodial parents, this bill would increase the financial stability of children and families living in poverty and help them transition from public benefits. The rising costs affect everyone, and this bill gets more resources to families, and allows them to stretch their dollars even further and to worry less about how to make ends meet from day to day.

The Legislature eliminated all child support pass through during the Great Recession, and only a partial pass-through was implemented in 2020 due to budget concerns. While the current partial pass-through is an improvement, it is still wrong that the state continues to take a portion of child support to pay for public assistance programs for which the state already received federal funding. In one case, the amount of child support retained by the state was six times the amount passed through to the children.

Research has shown that noncustodial parents pay more child support when they know that it gets passed through to their children, instead of being retained by the state.

(Opposed) None.

(Other) The DSHS is available to answer any questions about the bill.

Staff Summary of Public Testimony (Appropriations):

(In support) The state is taking child support payments to pay for a State General Fund obligation. The bill would build on Senate Bill 5144, passed in 2020, that implemented a

partial child support pass through policy. Data shows that child support pass through measures can increase child support payments by as much as 28 percent because parents know the payments will reach their children.

(Opposed) None.

(Other) The Department of Social and Health Services (DSHS) Economic Services Administration's Assistant Secretary is sending in a letter about the bill. The DSHS is happy to work with others and answer any questions that legislative members may have about the bill.

Persons Testifying (Civil Rights & Judiciary): (In support) Representative Jamila Taylor, prime sponsor; Alex Hur, Statewide Poverty Action Network; Amy Roark; and April Mazur, Solid Ground.

(Other) Jake Hughes, Washington State Department of Social and Health Services Economic Services Administration.

Persons Testifying (Appropriations): (In support) Alex Hur, Statewide Poverty Action Network.

(Other) Brady Horenstein, Department of Social and Health Services Division of Child Support.

Persons Signed In To Testify But Not Testifying (Civil Rights & Judiciary): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.