

SENATE BILL REPORT

2SHB 1447

As Reported by Senate Committee On:
Human Services, March 16, 2023
Ways & Means, April 4, 2023

Title: An act relating to strengthening the ability of assistance programs to meet foundational needs of children, adults, and families.

Brief Description: Strengthening the ability of assistance programs to meet foundational needs of children, adults, and families.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Peterson, Gregerson, Berry, Taylor, Simmons, Ortiz-Self, Ryu, Reed, Kloba, Doglio, Ormsby, Thai, Fosse, Pollet, Macri, Alvarado and Leavitt).

Brief History: Passed House: 3/2/23, 58-38.

Committee Activity: Human Services: 3/09/23, 3/16/23 [DPA-WM, DNP, w/oRec].
Ways & Means: 3/23/23, 4/04/23 [DPA, DNP, w/oRec].

Brief Summary of Amended Bill

- Expands the list of resources and increases the amount of assets exempt from being considered an asset owned or available to an applicant at the time of application for cash assistance programs.
- Increases the amount of earnings families eligible for cash assistance may keep by \$250 per month.
- Provides that the 60-month life time limit for Temporary Assistance for Needy Families (TANF) does not apply to child-only TANF.
- Expands good cause reasons for failure to participate in WorkFirst program components to include situations where the recipient is experiencing a hardship as defined by the Department of Social and Health Services.

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.

SENATE COMMITTEE ON HUMAN SERVICES

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Wilson, C., Chair; Kauffman, Vice Chair; Frame and Nguyen.

Minority Report: Do not pass.
Signed by Senator Wilson, J..

Minority Report: That it be referred without recommendation.
Signed by Senators Boehnke, Ranking Member; Warnick.

Staff: Alison Mendiola (786-7488)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.
Signed by Senators Rolfes, Chair; Robinson, Vice Chair, Operating & Revenue; Billig, Conway, Dhingra, Hasegawa, Hunt, Keiser, Muzzall, Nguyen, Pedersen, Saldaña, Van De Wege and Wellman.

Minority Report: Do not pass.
Signed by Senators Wilson, L., Ranking Member, Operating; Schoesler, Ranking Member, Capital; Braun.

Minority Report: That it be referred without recommendation.
Signed by Senators Mullet, Vice Chair, Capital; Gildon, Assistant Ranking Member, Operating; Rivers, Assistant Ranking Member, Capital; Warnick, Assistant Ranking Member, Capital; Boehnke, Torres and Wagoner.

Staff: Joshua Hinman (786-7281)

Background: Temporary Assistance for Needy Families, State Family Assistance, and Refugee Cash Assistance. The Temporary Assistance for Needy Families Program (TANF) is a federally funded program that provides cash assistance to parents or caregivers with children, and pregnant individuals. Persons who are caring for a relative's child, are legal guardians, or who are acting in the place of a parent, are also able to apply for TANF benefits on behalf of these children. A child-only case is a TANF case in which no adult is included in the benefit calculation. To be eligible for TANF benefits, a person must meet certain income and resource limits and meet citizenship criteria.

The State Family Assistance Program (SFA) provides state-funded cash assistance for legal immigrant families, students ages 19 to 20, and pregnant individuals who are ineligible to receive TANF benefits. The Refugee Cash Assistance Program (RCA) provides up to 12 months of cash assistance for newly arrived single and married adults who are ineligible for

TANF benefits.

WorkFirst. Adult TANF and SFA recipients must participate in one or more WorkFirst activities identified in the participant's individual responsibility plan, unless they are otherwise exempt. These activities may include paid and unpaid employment-based training programs, career development, community service, work skills assessment and job hunting training, and vocational training programs. WorkFirst participants may receive additional services such as child support collection, food assistance, and subsidized childcare.

If a TANF recipient is required to but refuses to engage in WorkFirst activities without good cause, the family's grant is reduced, and must be terminated after 12 months of continuous noncompliance. Good cause reasons to not participate in WorkFirst activities include situations where the recipient is a parent or relative caregiver and does not have day care coverage that would enable the person to to participate, or is a parent of a child under age two.

Time Limit Extensions. Federal rules limit the length of time an adult may receive TANF benefits to a cumulative total of 60 months. Time limit extensions (TLEs) may be offered to families on the basis of hardship, as defined by the state, or in instances of family violence. States can extend federal TANF assistance beyond the 60-month limit for up to 20 percent of the average monthly caseload.

Statute and rules adopted by the Department of Social and Health Services (DSHS) identify certain circumstances in which a person is eligible for a hardship TLE. DSHS adopted emergency rules to expand the TLE criteria to apply to families experiencing hardships during the COVID-19 public health emergency. Until June 30, 2023, any active TANF recipient is eligible for a hardship TLE. There is a requirement that policies related to qualification for a TLE must be similar among TANF households including an adult recipient and child-only cases.

Earned Income Disregard. In addition to their monthly payment, a family may earn and keep one-half of its earnings during every month eligible to receive TANF benefits. When calculating a household's gross earnings, DSHS must disregard the earnings of a minor child who is a full-time student, or a part-time student carrying at least half the normal school load and working fewer than 35 hours per week. However, a family is ineligible for TANF benefits if its monthly gross earned income exceeds the maximum earned income level for household size set by DSHS.

Maximum Gross Earned Income for TANF Recipients:

Number of Family Members	Maximum Earned Income Level
1	\$834

2	\$1,056
3	\$1,308
4	\$1,542

Other Assistance Programs. The Aged, Blind, or Disabled Cash Assistance Program (ABD) provides cash assistance, a referral to the Housing and Essential Needs Program (HEN), and help accessing federal disability benefits to eligible low-income adults who are age 65 or older, blind, or determined likely to meet federal supplemental security income criteria.

The Pregnant Women Assistance Program (PWA) provides cash assistance and a referral to HEN to pregnant individuals who are in need based on current income and resource standards for TANF benefits, but are ineligible for a reason other than a failure to cooperate with TANF rules.

HEN provides funding to local governments and homeless service providers to help individuals referred to the program with time-limited rent assistance, services connected to housing stability, and limited essential needs items, such as personal hygiene and transportation. Persons are eligible for a referral to the program when they are eligible for PWA or ABD or are incapacitated from gainful employment by reason of bodily or mental infirmity that will likely continue for a minimum of 90 days, and meet certain citizenship and resource limitations.

To be eligible for ABD, PWA, or HEN benefits, a person must be ineligible for federal aid assistance, other than basic food benefits and medical assistance.

Resource Exemptions for Program Eligibility. Resource limitations apply for determining eligibility for various cash assistance programs, such as TANF, SFA, HEN, ABD, and PWA. A resource includes any asset owned by or available to the program applicant at the time of the application. An applicant may retain certain resources and not be ineligible for assistance because of having the resource. Exempt resources include, but are not limited to:

- a home that an applicant, recipient, or their dependents live in;
- household furnishings and personal effects;
- one motor vehicle, other than a motor home, used and useful, with a value up to \$10,000;
- a motor vehicle necessary to transport a household member with a physical disability;
- and
- all other resources not to exceed \$6,000.

Summary of Amended Bill: The following changes are made to cash assistance programs:

- as of February 1, 2024, the list of resources exempt from being considered an asset

owned or available to an applicant at the time of application for cash assistance programs includes retirement funds, pension plans, and retirement accounts; one motor vehicle with no equity value limit; and all other resources not to exceed \$8,000; and

- as of August 1, 2024, families eligible for cash assistance may earn and keep the first \$250 of the family's earnings and DSHS may only disregard one-half of the remaining family's earnings during every month it is eligible to receive assistance.

The following changes are made to TANF:

- as of July 1, 2023, the 60-month time limit for TANF does not apply to child-only TANF; and
- good cause reasons for failure to participate in WorkFirst program components includes situations where the recipient is experiencing a hardship defined by DSHS in rule.

EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):

Decreases the resources limit from \$18,000 to \$8,000. Relative to existing statute, the resources limit would increase from \$6,000 to \$8,000.

EFFECT OF HUMAN SERVICES COMMITTEE AMENDMENT(S):

The provision of the House bill that allows a family to keep 100 percent of its new earnings and after six consecutive months DSHS may then disregard half of the family's earnings is struck. The earned income increased to 200 percent of the federal poverty level for cash assistance programs is struck. A family may keep the first \$250 of the family's earnings and then DSHS may disregard half of the family's remaining earnings. Regarding assets of an applicant or recipient of cash assistance, a family's all other resources is increased to \$18,000 vs \$6,000 in statute.

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 on Second Substitute House Bill (Human Services): *The committee recommended a different version of the bill than what was heard.*
PRO: This bill is an ongoing effort to help families in deep poverty access the help they need. The current asset limits forces families into long-term crisis by requiring them to make short-term changes to qualify for assistance. A family shouldn't be forced into a crisis

to get the help they need, like selling a car that is worth more than the asset limit. TANF should fit people instead of requiring people fitting into the program. The bill helps create a path out of poverty by letting a family keep more of its new earned income before phasing out of cash assistance. This bill also restores a recession-era cut by exempting child-only TANF from the 60 month life time limit.

OTHER: While this bill is not DSHS request legislation, the department acknowledges that this bill supports poverty reduction efforts by strengthening policies like increasing resource exemptions for cash assistance programs, adjusting the policy regarding life time limits for child-only TANF, and smoothing the cliff effect when cash assistance recipients gain new employment by expanding the earned income disregard.

Persons Testifying (Human Services): PRO: Avi Laudon, Workforce Development Council of Seattle and King County; Ali Scego, Neighborhood House; Alex Hur, Statewide Poverty Action Network; Lianna Kressin, Statewide Poverty Action Network; Jude Ahmed, Urban League of Metropolitan Seattle.

OTHER: Babs Roberts, DSHS, Economic Services Administration, Community Services Division.

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

Staff Summary of Public Testimony on Bill as Amended by Human Services (Ways & Means): *The committee recommended a different version of the bill than what was heard.*
PRO: This bill would improve the lives of TANF recipients so they do not lose everything. Families receiving TANF are impacted by storms more severely than others. Testifier has worked diligently with the Legislature to reduce the fiscal impact of this bill.

Socioeconomic disparities are more than numbers. Testifier shared a story of a former TANF recipient. TANF allowed her to pay for basic necessities and she ended up earning a bachelors degree and is now a licensed SUD professional working at a school district. TANF allowed her to get a degree.

State should invest in more families like this. TANF allowed her daughter to see that she could be successful, just like her mother.

Persons Testifying (Ways & Means): PRO: Lianna Kressin, Statewide Poverty Action Network; Jude Ahmed, Urban League of Metropolitan Seattle.

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