

SENATE BILL REPORT

ESHB 1652

As Passed Senate - Amended, February 29, 2024

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: Passed House: 1/10/24, 95-3.

Committee Activity: Law & Justice: 3/21/23, 3/22/23 [DP-WM]; 1/30/24, 2/15/24 [DPA-WM].

Ways & Means: 3/30/23; 2/24/24, 2/26/24 [DPA (LAW), w/oRec].

Floor Activity: Passed Senate - Amended: 2/29/24, 49-0.

Brief Summary of Bill (As Amended by Senate)

- 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.

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.
Signed by Senators Dhingra, Chair; Trudeau, Vice Chair; Padden, Ranking Member; Kuderer, McCune, Pedersen, Salomon, Torres, Valdez, Wagoner and Wilson, L..

Staff: William Bridges (786-7312)

SENATE COMMITTEE ON WAYS & MEANS

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 by Committee on Law & Justice.

Signed by Senators Robinson, Chair; Mullet, Vice Chair, Capital; Nguyen, Vice Chair, Operating; Wilson, L., Ranking Member, Operating; Gildon, Assistant Ranking Member, Operating; Schoesler, Ranking Member, Capital; Rivers, Assistant Ranking Member, Capital; Billig, Braun, Conway, Dhingra, Hasegawa, Hunt, Keiser, Muzzall, Pedersen, Randall, Saldaña, Torres, Van De Wege, Wagoner and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senator Boehnke.

Staff: Josh Hinman (786-7281)

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 for distributing child support collected by the state on behalf of a family receiving TANF assistance. The state is required to forward to the federal government a certain portion of the collected support, called the federal share, which varies by state. The current federal share for Washington is 50 percent, meaning 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 Amended Bill: Beginning on January 1, 2026, DSHS must pass through to a TANF family all current child support collected on behalf of the family each month.

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

Fiscal Note: Requested on January 26, 2024.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on January 1, 2026.

Staff Summary of Public Testimony (Law & Justice) (Regular Session 2023): PRO: Child support is a fundamental way to keep children out of poverty. There are low income families who receive child support and TANF benefits. The state retains some of the child support on behalf of TANF. This bill restores the ability for all child support to pass through to families, not government. Families will be able to emerge out of poverty with this pass through child support and TANF benefits. Child support should be for children.

Persons Testifying (Law & Justice): PRO: Representative Jamila Taylor, Prime Sponsor; Lianna Kressin, Statewide Poverty Action Network; Dorothy Gorder; John Chan; Amy Roark.

Persons Signed In To Testify But Not Testifying (Law & Justice): No one.

Staff Summary of Public Testimony (Ways & Means) (Regular Session 2023): PRO: Testifier is a member of the Poverty Reduction Work Group Steering Committee and has used TANF for essentials before. Last year, there were modifications to her child support order. Due to TANF pass through policy, her household was allowed to receive \$100 of the collection amount. The remaining \$600 or more was kept by the state. This is over six times what the children received. Child support should be retained by children, not the state. With those extra funds, her household would have been more stable.

OTHER: Those on TANF are only allowed to have it for so many months. Once exhausted, they are done. The testifier was on TANF and if she had that little boost it could have allowed her to get car insurance for better employment, as one example. This is why it is important to allow full pass through.

Persons Testifying (Ways & Means): PRO: Lianna Kressin, Statewide Poverty Action Network; Amy Roark; Dorothy Gorder.

OTHER: Brady Horenstein, DSHS/ESA Division of Child Support.

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

Staff Summary of Public Testimony On Proposed Striking Amendment (Law & Justice) (Regular Session 2024): PRO: This bill will help struggling families, providing a step out of poverty. The current law, which allows the state to retain a share of assigned child support acts as a tax on TANF recipients and creates a disincentive for the non-custodial parent to pay child support.

OTHER: The fiscal impact of the bill is not covered in the Governor's budget.

Persons Testifying (Law & Justice): PRO: Representative Jamila Taylor, Prime Sponsor; Alex Hur, Statewide Poverty Action Network; Lianna Kressin, Statewide Poverty Action Network; Amy Roark; James Clark, National Parents Organization.

OTHER: Sharon Redmond, DSHS - Economic Services Administration - Division of Child Support.

Persons Signed In To Testify But Not Testifying (Law & Justice): No one.

Staff Summary of Public Testimony on Bill as Amended by Law and Justice (Ways & Means) (Regular Session 2024): PRO: We have been working on some version of this bill since 2012. Prior to 2011 Washington passed through all child support collected on behalf of these families. Due to the Great Recession, this policy was modified, resulting in Washington retaining \$60 million in child support from these families between 2011 and 2021.

A bill was enacted three years ago to pass through some of these funds. The bill before you is the next step. An estimated 14,000 families will benefit from this new policy and the time is now to provide a full pass-through. The Great Recession is over and has been over for a long time.

Persons Testifying (Ways & Means): PRO: Alex Hur, Statewide Poverty Action Network.

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