

# HOUSE BILL REPORT

## HB 1734

---

**As Reported by House Committee On:**  
Early Learning & Human Services

**Title:** An act relating to exemptions from the five-year time limit for recipients of the temporary assistance for needy families program.

**Brief Description:** Concerning exemptions from the five-year time limit for recipients of the temporary assistance for needy families program.

**Sponsors:** Representatives Sawyer, Kagi, Goodman, Orwall, Jinkins, Moscoso, Cody, Farrell, Reykdal, Pollet, Ormsby, Riccelli, Wylie, Ryu, Appleton, Roberts, Fey, Bergquist and Santos.

**Brief History:**

**Committee Activity:**

Early Learning & Human Services: 2/19/13, 2/22/13 [DPS].

**Brief Summary of Substitute Bill**

- Allows a recipient of benefits under the Temporary Assistance to Needy Families to receive benefits beyond the 60-month time limit if the recipient lives in a county where the rate of unemployment is 10 percent or higher.

---

### HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Kagi, Chair; Freeman, Vice Chair; Walsh, Ranking Minority Member; Farrell, Goodman, Roberts and Sawyer.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Scott, Assistant Ranking Minority Member; MacEwen, Overstreet and Zeiger.

**Staff:** Linda Merelle (786-7092).

**Background:**

Temporary Assistance for Needy Families.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Temporary Assistance for Needy Families (TANF) is a federal block grant established under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The TANF program replaced the Aid to Families with Dependent Children (AFDC) program, which had provided grants to poor families with children since the 1930s.

States use TANF block grants to operate their own programs. State programs differ, but operate in accordance with the following purposes set forth in federal law:

- to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- prevent and reduce the incidences of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidences of these pregnancies; and
- encourage the formation and maintenance of two-parent families.

In addition to money received from the federal government, states are required to spend their own funds on programs for needy families or face financial penalties; this is referred to as the Maintenance of Effort (or MOE) requirement.

#### Hardship Extension.

In 2011 the Legislature placed a 60-month time-limit on TANF benefits. However, some recipients may continue to receive benefits if they qualify for a hardship extension. Under federal statutes, no more than 20 percent of a state's TANF caseload may receive benefits under the hardship exceptions. In the past, the Department of Social and Health Services (DSHS) has extended TANF benefits beyond the 60-month time limit to all households as long as household members were meeting other program requirements. Beginning in 2011 extensions were only allowed for eight categories of hardship. These categories were spelled out in the Washington Administrative Code. A recipient may be exempt from the time limit if the recipient:

- was caring for a disabled child;
- was employed at least 32 hours per week;
- was age 55 years or older and caring for a child that is his or her own;
- was a recipient of Supplemental Security Income;
- was required to be home to care for a child with special needs;
- was required to be home to care for an adult with disabilities;
- has an open child welfare case; or
- met the family violence option criteria.

In November 2012 there were 1623 TANF adult cases where the recipients received benefits for longer than 60 months. This represented 3.3 percent of all TANF cases. The number of extensions has declined by 15 percent since November 2011. The recipient's case may be reviewed every six or 12 months, depending upon the basis for the extension.

---

#### **Summary of Substitute Bill:**

The DSHS is permitted to exempt a recipient from the 60-month time limit to receiving benefits under the TANF program if the recipient resides in a county with an unemployment rate of 10 percent or more.

**Substitute Bill Compared to Original Bill:**

The following exemptions to the 60-month time limit for the receipt of TANF benefits are not permitted:

- that the parent has a temporary mental or physical incapacity;
- that the parent is working in unsubsidized employment for more than 20 hours per week; and
- that a parent is functionally illiterate.

---

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect on January 1, 2014.

**Staff Summary of Public Testimony:**

(In support) There has been a dramatic rise in homelessness, particularly, in more rural communities. The substitute bill helps address the exemption when it comes to the fact that it is not always the individual's fault when a recipient of benefits under the TANF program is unable to find employment. In extreme times, it does not pay to cut benefits. There are 16 counties where unemployment is greater than 10 percent, and they are mostly rural. The federal law allowed 20 percent of the case load to be exempt because they recognized that some families had enough hardship that they were not going to be able to be successful after five years. The purpose of this proposal is to identify categories of families in particularly difficult circumstances that prevent them from being successful within five years and are unable to become employed within that time frame. It is important to think about the 20,000 children who have lost benefits since the categories of hardship exemptions were narrowed in 2011 and how that might relate to the 27,000 homeless school children that are in Washington's public schools today. Under this bill, additional categories of hardship exemptions would be added for parents who cannot work or are unable to find work due to factors beyond their control. Low income families have experienced housing instability, homelessness, and severe economic insecurity. These hardships hinder parents' ability to find employment, permanently move out of poverty, and meet their children's basic survival needs. This policy has contributed to student homelessness and high turnover rates among K-12 students during the academic school year. Families who are playing by the rules but cannot find a job because of high regional unemployment would be exempted from the time limit. Families receiving benefits under TANF should not lose their only source of income when the economy is stagnant and there is a job shortage. If TANF parents cannot work, they should still have the peace of mind that their children's basic survival needs can be met and their families will have a decent quality of life. A significant number of students face barriers that must be addressed before they can complete their education under the 60-month

time limit. In some cases, they reach the limit before they can complete critical education and training services.

(With concerns) This bill significantly broadens the circumstances under which the 60-month time limit may be extended. The provisions in the substitute bill that relate to the domestic violence provision and the unemployment rate do address some of the concerns. The bill does not define "functional illiteracy." The bill allows time extensions for temporary mental or physical incapacity, but the language in the bill is not clear about how long the disability must last. More clarity would help with implementation. The expansion of categories might impact the state's ability to meet its participation rates, and the DSHS would need to have an information and technology system that would allow the Economic Services Administration to be responsive to trigger points, such as unemployment rates.

(Opposed) None.

**Persons Testifying:** (In support) Representative Sawyer, prime sponsor; Robin Zukoski, Columbia Legal Services; Mike Mitchell, Washington State Budget and Policy Center; Marcy Bowers and Kate Baber, Statewide Poverty Action Network; and Rick Krauss, State Board of Community and Technical Colleges.

(With concerns) David Stillman, Department of Social and Health Services, Economic Services Administration.

**Persons Signed In To Testify But Not Testifying:** None.