

SENATE BILL REPORT

SB 5144

As Reported by Senate Committee On:
Human Services, Reentry & Rehabilitation, February 5, 2019

Title: An act relating to implementing child support pass-through payments.

Brief Description: Implementing child support pass-through payments.

Sponsors: Senators Dhingra, O'Ban, Wilson, C., Keiser, Darneille and Frockt.

Brief History:

Committee Activity: Human Services, Reentry & Rehabilitation: 1/24/19, 2/05/19 [DPS-WM].

Brief Summary of First Substitute Bill

- Requires the Department of Social and Health Services to pass through child support up to \$100 per month collected on behalf of a family, or up to \$200 a month for a family that includes two or more children.

SENATE COMMITTEE ON HUMAN SERVICES, REENTRY & REHABILITATION

Majority Report: That Substitute Senate Bill No. 5144 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Darneille, Chair; Nguyen, Vice Chair; Walsh, Ranking Member; Cleveland, O'Ban, Wilson, C. and Zeiger.

Staff: Alison Mendiola (786-7488)

Background: The Deficit Reduction Act. The federal Deficit Reduction Act (DRA), enacted in 2005, requires states to have a child support enforcement program that complies with federal requirements as a condition to receiving federal funds for child support enforcement and Temporary Aid to Needy Families (TANF) programs. Prior to the enactment of the DRA, for a family that received TANF cash benefits, the state and federal government retained any current support and assigned arrearages collected up to the cumulative amount of TANF benefits that have been paid to a family. While the state was authorized to pay its share of collections to the family, it was still required to pay the federal

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government its share of child support collections. Therefore, any pass-through amount to the family was required to be financed completely from state funds.

The DRA allows states to pass-through child support collections to the family up to \$100 per month or \$200 per month for a family with two or more children and does not require the state to pay the federal government the federal share of those payments. The state must disregard the child support collection paid to the family in determining the family's cash TANF benefit.

Suspension of the Child Support Pass-Through. In 2010, with the passage of SSB 6893, the Legislature directed the Division of Child Support to suspend the child support pass-through.

Summary of Bill (First Substitute): Effective February 1, 2020, the suspension of the child support pass through is struck and the Division of Child Support shall pass-through child support that does not exceed \$100 per month collected on behalf of a family, or in the case of a family that includes two or more children, an amount that is not more than \$200 per month.

EFFECT OF CHANGES MADE BY HUMAN SERVICES, REENTRY & REHABILITATION COMMITTEE (First Substitute): The child support pass-through is effective February 1, 2020.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This bill reinstates the child support pass-through that was eliminated during the Great Recession, purely for economic reasons. Studies show that child support compliance increases with a pass-through, now there's an incentive to either pay under the table or not at all. A \$100 or \$200 increase in income makes a significant difference for a family on TANF, it helps to stabilize families. Even more so for survivors of domestic violence who may otherwise have to ask for favors from the person who harmed them, with the added income they can afford to change the locks. A family could pay car insurance, or not have to decide between paying for the heat or buying diapers. This bill is good for families, good for children and good for the economy.

Persons Testifying: PRO: Senator Manka Dhingra, Prime Sponsor; David Hlebain, Statewide Poverty Action Network; Liz Olson, Washington State Budget & Policy Center; Alex Hur, Statewide Poverty Action Network; David Hlebain, Statewide Poverty Action Network; Liz Olson, Washington State Budget and Policy Center; Sara Robbins, Solid Ground; Traci Underwood, Washington State Coalition Against Domestic Violence; Tatomya Wimbish, Young Women's Christian Association of Olympia.

Persons Signed In To Testify But Not Testifying: No one.