

SENATE BILL REPORT

SB 5214

As of January 26, 2021

Title: An act relating to economic assistance programs.

Brief Description: Concerning economic assistance programs.

Sponsors: Senators Nguyen, Dhingra, Darneille, Das, Frockt, Hasegawa, Hunt, Kuderer, Liias, Lovelett, Nobles, Robinson, Stanford and Wilson, C..

Brief History:

Committee Activity: Human Services, Reentry & Rehabilitation: 1/26/21.

Brief Summary of Bill

- Expands who may eligible for an exemption to the 60- month lifetime limit for temporary assistance to needy families (TANF) to include recipients who are participating satisfactorily in the program, recipients who are temporarily prevented from working or looking for a job, and recipients who are in need of mental health or substance abuse disorder treatment.
- States that a TANF recipient who fails to work or look for work as required by Department of Social and Health Services (DSHS) can not be terminated for noncompliance based on these reasons.
- Prescribes that a family can earn and keep all of its earned income during every month it is eligible to receive assistance, in addition to receiving their monthly benefit payment.
- Instructs that DSHS may not require TANF applicants to attend an orientation in person as a condition of eligibility.

SENATE COMMITTEE ON HUMAN SERVICES, REENTRY & REHABILITATION

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.

Staff: Alison Mendiola (786-7488)

Background: Temporary Assistance for Needy Families. Temporary assistance for needy families (TANF) was created under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. TANF is a federal block grant providing temporary cash assistance, subsidized childcare, and work programs for families. 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:

- providing assistance to needy families so children may be cared for in their own homes or in the homes of relatives;
- ending the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- preventing and reducing the incidence of out-of-wedlock pregnancies and establishing annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- encouraging the formation and maintenance of two-parent families.

There is a federal life time limit of receiving TANF benefits for 60 months after July 27, 1997.

WorkFirst. WorkFirst is Washington State's TANF program which was initiated in 1997. Since 2014, attending a WorkFirst orientation is a condition of eligibility for all TANF recipients who must participate in WorkFirst. With limited exceptions, adult recipients of TANF benefits must participate in one or more WorkFirst activities. These activities may include paid and unpaid employment-based training programs, career development, community service, work skills assessment and job hunting training, and participation in vocational training programs. Federal law requires states to meet a work participation rate for adult TANF recipients. States not meeting the work participation rate may be subject to penalty. For example, if a recipient refuses to engage in work or work activities required by DSHS, after two months of continuous noncompliance, the family's grant is to be reduced by the recipient's share or 40 percent, whichever is greater, and must be terminated after 12 months of continuous noncompliance.

In addition to a recipient's monthly benefit amount, a family may earn and keep one-half of its earning every month it is eligible to receive assistance, provided the income does not exceed the maximum earned income level, as set by DSHS. As provided for in rule, the maximum earned incomes for TANF, and other programs, are as follows:

Number of family members	Maximum monthly earned income level	Number of family members	Maximum monthly earned income level
1	\$726	6	\$1,754
2	\$918	7	\$2,026
3	\$1,138	8	\$2,242

4	\$1,340	9	\$2462
5	\$ 1,544	10	\$2,676

Sixty Month Lifetime Limit. There are exceptions to the 60-month lifetime limit of receiving TANF benefits. Federal law limits hardship exemptions to 20 percent of the caseload. Current exemptions include:

- by reason of hardship, including when the recipient's family includes a child or youth who is without a fixed, regular, and adequate nighttime residence as described in the federal McKinney-Vento homeless assistance act—Title 42 U.S.C., chapter 119, subchapter VI, part B—as it existed on January 1, 2020; and
- if the family includes an individual who meets the family violence options of section 402(A)(7) of Title IVA of the federal social security act as amended by P.L. 104-193.

Summary of Bill: Workfirst Orientation, Noncompliance, and Earnings. DSHS may not require TANF applicants to attend a WorkFirst Orientation in person as a condition of eligibility for TANF. However, DSHS may conduct a WorkFirst orientation by phone or incorporate orientation information into the recipient assessment.

If a recipient refuses to engage in work or work activities required by DSHS, while the recipient's grant may be reduced, the family grant may not be terminated after 12 months of noncompliance.

A family may earn and keep of its earnings during every month they are eligible to receive assistance.

Temporary Assistance For Needy Families Lifetime Limit. DSHS is to add to adopted rules related to TANF time limit extensions, the following criteria by which a recipient and its family may be exempt from the 60 month lifetime limit if the recipient is:

- the recipient is participating satisfactorily in the program;
- the recipient is temporarily prevented from working or looking for a job; or
- the recipient is in need of mental health or substance use disorder treatment.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: The bill takes effect on July 1, 2022.

Staff Summary of Public Testimony: PRO: It is more important now more than ever to meet the needs of those in need. Restoring Great Recession policy cuts is crucial. The term "refusal to work" is poorly worded as it includes scenarios where a parent is unable to find childcare, lacks adequate transportation and if you are just an hour short on your work requirements, you can be sanctioned. In 2020, 120,000-160,000 people were pushed into poverty, a disproportionate number were women and people of color, those who experience persistent racism and sexism. Communities of color are disproportionately impacted by COVID, by being a higher health risk, more likely to be an essential worker and impacted economically. Full family sanctions hurt children and disproportionately impact communities of color. Many recipients qualify for a domestic violence hardship exemption but either they do not know to ask for it or they are afraid to. The policies in this bill allow for greater flexibility. We really need to help kids get out of the cycle of poverty, the stress of poverty alone is very toxic to a child and the pandemic has only heightened these issues.

OTHER: Federal rule limits the state's ability to implement some of the provisions of this bill. If we do not meet our work participation rate, we could be sanctioned. Right now we are fine but in the future we may not be. The WorkFirst orientation provision needs to be clarified. There are challenges with the July 1, 2022, implementation date, would prefer 2022 but the eligibility piece can be effective in 2021.

Persons Testifying: PRO: Senator Joe Nguyen, Prime Sponsor; Jeff DeLuca, Washington State Community Action Partnership; Lianna Kressin, Statewide Poverty Action Network; Liz Olson, Washington State Budget & Policy Center; Amy Roark; Traci Underwood, Washington State Coalition Against Domestic Violence; Maya Manus, Urban League of Metropolitan Seattle; Thomas Long, MD, Washington Chapter of the American Academy of Pediatrics; Grete Shultz, Solid Ground; Kieryn High, Byrd Barr Place.

OTHER: Babs Roberts, Department of Social and Health Services.

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