

SENATE BILL REPORT

SB 6503

As of January 24, 2018

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

Brief Description: Implementing child support pass-through payments.

Sponsors: Senators Dhingra, Palumbo, Frockt, Carlyle, Darneille, Hasegawa and Kuderer.

Brief History:

Committee Activity: Human Services & Corrections: 1/22/18.

Brief Summary of Bill

- Requires the Department of Social and Health Services (DSHS) to pass through a portion of child support collections for families receiving assistance under the Temporary Assistance for Needy Families (TANF) program.

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Staff: Brandon Popovac (786-7465)

Background: Federal law requires states to have a child support enforcement program that complies with federal requirements as a condition of receiving federal funds for child support enforcement and 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 states and the federal government as partial reimbursement for TANF assistance.

The federal Deficit Reduction Act of 2005 allows states to pass through up to \$100 a month of collected child support to TANF families with one child, and up to \$200 a 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.

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.

Washington State implemented child support pass-through payments in October 2008, but suspended the child support pass-through payments effective May 1, 2011.

Summary of Bill: Effective October 1, 2018, DSHS must pass through up to \$100 per month in collected child support to families receiving assistance under TANF for a family with one child, and up to \$200 per month in child support for a family with two or more children. The pass-through payments must be implemented in accordance with the federal Deficit Reduction Act of 2005.

Appropriation: None.

Fiscal Note: Requested on January 18, 2018.

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: PRO: This bill reinstates the formerly enacted pass-through payments that were eliminated during the recession. The goal of the bill is to provide more support for TANF families and incentivize non-custodial parents to pay child support. The bill allows children under TANF to get a direct benefit from pass-through payments. Funds could help cover the costs of essential items. Research shows that pass through incentivizes non-custodial parents to make child support payments due to the knowledge that the payments will be received by the families.

Original legislation implementing the pass through in 2007 was a bipartisan effort. Other states currently authorize the pass through. Research shows that child support payments are used to pay basic needs, i.e. school supplies and clothing. The bill represents a well-researched bipartisan policy to help the most vulnerable families in our state.

No one wants to rely on TANF to meet basic needs; it does not help families achieve the stability needed to move on from traumatic events. TANF recipients need more opportunities to get ahead to leave the program successfully. Pass through implementation would increase family income by up to 20 percent.

The pass through would provide a buffer to help mitigate the benefits cliff for TANF families. Financial support would still be in place, allowing greater movement for work opportunities. The current TANF grant is at 31 percent of the federal poverty line (FPL). Individuals live in deep poverty at 50 percent of the FPL. Other 2018 legislation is looking at a WSIPP study to look at the benefits cliff.

Family poverty is associated with increased child welfare involvement, housing instability, food insecurity, and chronic illness. Poverty results in toxic stress, which affects brain development and may lead to consequences for mental and physical health and poor academic performance in school.

Persons Testifying: PRO: Senator Manka Dhingra, Prime Sponsor; Laurie Lippold, Partners for Our Children; Alex Hur, Statewide Poverty Action Network; Nancy Sapiro, Legal Voice; Katie Scott, Solid Ground.

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