

SENATE BILL REPORT

2SHB 1603

As Passed Senate - Amended, April 15, 2019

Title: An act relating to revising economic assistance programs by updating standards of need, revising outcome measures and data collected, and reducing barriers to participation.

Brief Description: Revising economic assistance programs by updating standards of need, revising outcome measures and data collected, and reducing barriers to participation.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Senn, Entenman, Morgan, Kilduff, Macri, Gregerson, Valdez, Chapman, Wylie, Peterson, Doglio, Tharinger, Bergquist, Robinson, Ortiz-Self, Goodman, Lovick, Jinkins, Leavitt, Hudgins, Pettigrew, Slatter, Appleton, Stanford, Davis, Frame, Pollet, Fey and Tarleton).

Brief History: Passed House: 3/07/19, 69-28.

Committee Activity: Human Services, Reentry & Rehabilitation: 3/19/19, 3/21/19 [DPA-WM, w/oRec].

Ways & Means: 4/08/19, 4/09/19 [DPA, w/oRec, DNP].

Floor Activity:

Passed Senate - Amended: 4/15/19, 35-13.

Brief Summary of Bill (As Amended by Senate)

- Removes the authority of the Department of Social and Health Services (DSHS) to permanently disqualify households from receiving Temporary Assistance for Needy Families (TANF).
- Removes the provision limiting TANF benefits for new state residents to a lower benefit level received in another state.
- Requires, rather than allows, DSHS to exempt TANF recipients from the five-year time limit due to hardship or family violence.
- Expands hardship to include families that are homeless.

SENATE COMMITTEE ON HUMAN SERVICES, REENTRY & REHABILITATION

Majority Report: Do pass as amended and be referred to 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 a part of the legislation nor does it constitute a statement of legislative intent.

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

Minority Report: That it be referred without recommendation.

Signed by Senators O'Ban and Zeiger.

Staff: Alison Mendiola (786-7488)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Billig, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Liias, Palumbo, Pedersen, Van De Wege and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senator Mullet, Capital Budget Cabinet.

Minority Report: Do not pass.

Signed by Senators Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey, Becker, Schoesler and Wagoner.

Staff: Maria Hovde (786-7474)

Background: TANF is a federal block grant that provides temporary cash assistance, subsidized childcare, and work programs for families. The Washington WorkFirst TANF Act of 1997 created the WorkFirst program. With limited exceptions, adult TANF recipients must participate in one or more WorkFirst activities that are identified through an assessment and documented in the recipient's individual responsibility plan. These activities may include paid and unpaid employment-based training programs, career development, community service, work skills assessment and job search training, and vocational training programs. The TANF program is administered by DSHS.

Work Participation, Sanctions, Permanent Disqualification, and Lifetime Limits. Federal law and state rules require reducing or terminating a family's assistance if an individual in the family refuses to participate in work requirements, unless the individual meets criteria to be exempt from mandatory work participation, or has good cause. This reduction of assistance is referred to as a non-compliance sanction. Current state rules require a family's TANF grant to be reduced by one person's share or 40 percent, whichever is more, when a recipient is sanctioned. After two months in sanction, the recipient's case is closed. If a TANF case is closed at least three times, the individual and any household that person is part of are permanently disqualified from receiving TANF benefits. An eligible person may receive TANF benefits up to the federal time limit of 60 months. However, in certain circumstances, DSHS may exempt a family from this time limit such as by reason of hardship or if the recipient meets the family violence options under federal law. Federal law limits hardship exemptions to 20 percent of the caseload.

Benefits for New State Residents. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 authorized states to pay the benefit amount of another state's TANF program to residents who have lived in the state for less than 12 months. In 1997 Washington enacted a law implementing PRWORA and required, among other provisions, DSHS to pay a lower TANF benefit to a person who has lived in a state for less than 12 months if that person received a lower benefit in their former state of residence. That same year, California began enforcing a similar limitation. In *Saenz. v Roe*, 526 U.S. 489 (1999), the United States Supreme Court held that California's lower benefit policy for new residents unconstitutionally discriminated against citizens of the state on the basis of the length of residency and was in violation of the privileges and immunities clause of the United States Constitution.

Legislative-Executive WorkFirst Poverty Reduction Oversight Task Force. The 2018 Legislature established the Legislative-Executive WorkFirst Poverty Reduction Oversight Task Force (task force) to oversee the operation of the WorkFirst and TANF programs. The voting membership of the task force is comprised of eight state agency representatives and eight members of the Legislature.

Summary of Amended Bill: Permanent Disqualification. DSHS may not permanently disqualify households for noncompliance with WorkFirst requirements.

Benefits for New State Residents. The provision limiting benefits for a new state resident to the benefit level the recipient received in their former state of residence is removed.

Lifetime Limit. DSHS shall exempt TANF recipients from the five-year time limit due to hardship or family violence. A hardship that exempts a family from the 60-month lifetime TANF limit includes a family that is homeless as defined in RCW 43.185C.010.

Other. The task force is added to the recipients of quarterly progress reports on outcomes and benchmarks. Outcome measures for use in evaluating the WorkFirst program are expanded to include:

- caseload reduction data for participants who exit due to increased income, employment, at the participant's request, or for other reasons;
- employment;
- wage progression; and
- outcomes for sanctioned and time-limited families.

All provisions apply prospectively only and not retroactively. Prospective application of the act allows families who have been permanently disqualified under prior policies to receive benefits prospective only, if otherwise eligible.

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 Second Substitute House Bill (Human Services, Reentry & Rehabilitation): *The committee recommended a different version of the bill than what was heard.* PRO: Since 2011, there have been very draconian policies keeping families in the greatest need off of TANF. For example, three noncompliance sanctions means permanent disqualification from TANF. This disproportionately impacts women and survivors of domestic violence. If a person misses an appointment, even if due to a family emergency, this can result in non-compliance. Additionally many who are permanently disqualified are homeless. This bill will change this policy so there is no permanent disqualification, although we had hoped to do more for families. The TANF caseload is declining. Families experiencing homelessness or suffering from mental health challenges are disproportionately impacted. The same is true for African-American and American Indian households. Permanent disqualification is very punitive. You only have the right to appeal your third sanction which means a first or second sanction could have been unlawful but you do not have an opportunity to raise this when appeal your third sanction. We ask the bill be amended to allow for homelessness or lack of stable housing to be considered a hardship exemption to the 60-month lifetime TANF limit. While the costs to provide benefits may be high, we have not really looked at the return to society for supporting a family in crisis which are arguably higher.

Persons Testifying (Human Services, Reentry & Rehabilitation): PRO: Representative Tana Senn, Prime Sponsor; David Hlebain, Statewide Poverty Action Network; Sara Robbins, Solid Ground; Julie Watts, Washington State Budget and Policy Center.

Persons Signed In To Testify But Not Testifying (Human Services, Reentry & Rehabilitation): No one.

Staff Summary of Public Testimony on the Bill as Amended by Human Services, Reentry & Rehabilitation (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: TANF is a last resort lifeline for struggling families. This bill makes a couple common sense fixes that align the program with pre-recession TANF policy. In the last year more than one-third of the families who were removed from the program were homeless. This includes nearly 2000 children. Many of these families have mental health needs and nearly half are living with a serious mental illness. TANF time limit policies are applied in a racially disproportionate way. For example, 19 percent of the caseload are black families but they make up almost one-third of those removed due to time limits. The homelessness time limit extension is an important step in addressing this disproportionality. This bill takes very important steps to address damaging cuts that were made to the TANF program. Over the last decade, the state has cut over \$220 million from the program and those cuts resulted in tens of thousands of families living in deep poverty being cut off of basic assistance. Without this legislation, the state is on track to cut another \$19 to \$20 million from the program. The language regarding the benefits in other states is cleanup and was never actually in policy. We do not currently offer a lower benefit level to people coming from other states.

Persons Testifying (Ways & Means): PRO: David Hlebain, Statewide Poverty Action Network; Julie Watts, Washington State Budget and Policy Center.

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