

# SENATE BILL REPORT

## SHB 2441

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As of March 3, 2020

**Title:** An act relating to improving access to temporary assistance for needy families.

**Brief Description:** Improving access to temporary assistance for needy families.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Entenman, Fitzgibbon, Senn, Gregerson, Kilduff, Stonier, Davis, Macri, Ortiz-Self, Riccelli, Pettigrew, Pollet, Goodman, Wylie and Doglio).

**Brief History:** Passed House: 2/14/20, 57-41.

**Committee Activity:** Human Services, Reentry & Rehabilitation: 2/20/20, 2/25/20 [DPA-WM].

Ways & Means: 2/29/20.

### Brief Summary of Amended Bill

- Requires the Department of Social and Health Services (DSHS) to reduce a family's Temporary Assistance for Needy Families (TANF) cash grant after two months of continuous noncompliance with work or work activity requirements.
- Directs DSHS to conduct outreach to families terminated due to time limits on or after January 1, 2015, who appear to otherwise meet the expanded time-limit extension criteria and to encourage them to reapply for assistance.
- Adds hardship criteria for extensions to TANF time limits.

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### SENATE COMMITTEE ON HUMAN SERVICES, REENTRY & REHABILITATION

**Majority Report:** Do pass as amended 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)

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### SENATE 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.*

**Staff:** Sarah Emmans (786-7478)

**Background:** 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.

WorkFirst. WorkFirst is Washington State's TANF program, which was initiated in 1997. 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 rules limit the length of time an adult can receive TANF benefits to a cumulative total of 60 months. States can extend TANF assistance beyond the 60-month limit for up to 20 percent of the average monthly caseload. For federal fiscal year 2018, 4.9 percent of the state's caseload was exempt from the 60-month limit.

Extensions may only be offered to families on the basis of hardship, as defined by the state, or in instances of family violence. DSHS has adopted rules identifying who is eligible for a time-limit hardship extension. Examples of hardship under the adopted rules include a person with severe and chronic disabilities and a person acting as a caregiver for a disabled child or adult, among others. In 2019, homelessness was added as a qualifying hardship for an extension to the 60-month limit. For this purpose, "homeless" is defined as an individual living outside or in a building not meant for human habitation or which they have no legal right to occupy, in an emergency shelter, or in a temporary housing program which may include a transitional and supportive housing program if habitation time limits exist.

**Summary of Amended Bill:** Work Participation and Sanctions. If a recipient refuses to engage in work activities, DSHS must review the case to ensure DSHS has considered any barriers to work and made any necessary revisions to the recipient's individual responsibility plan. After two months of continuous noncompliance, the family's grant must be reduced by the recipient's share or 40 percent, whichever is greater. DSHS may terminate the grant after 12 months of continuous noncompliance. DSHS is required to waive sanction policies for recipients who refuse to engage in work for good cause.

Five-Year Time Limit. DSHS must exempt TANF recipients from the five-year time limit due to hardship, family violence, or if the recipient meets criteria in current adopted rules. DSHS must add to exemption rules to include circumstances where:

- the recipient's family:
  - includes a child or youth who is without a fixed, regular, and adequate nighttime residence as described in the McKinney-Vento Homeless Assistance Act, Subchapter VI, Part B; or
  - is at substantial risk of losing housing or housing support services; or
- the recipient:
  - is participating satisfactorily in the program;
  - is temporarily prevented from working or looking for a job;
  - is in need of mental health or substance use disorder treatment; or
  - demonstrates another basis by which the time limit would cause undue hardship to the recipient or the recipient's family.

The existing definition of "homeless person" for extensions to the 60-month time limit is removed.

DSHS must conduct outreach to families terminated on or after January 1, 2015, due to TANF time limits and who appear to meet the new hardship criteria. DSHS must use all known contact information for families, including information available through client files for other DSHS administered programs, to notify families of the policy change and encourage them to reapply for assistance.

Reporting on Benefit Reductions and Terminations. By December 31st each year, DSHS must report to the Governor and the Legislature disaggregated data identifying the race of individuals whose TANF benefits were reduced or terminated during the preceding year due to sanction or reaching the 60-month limit. If the disaggregated data shows a disproportionate representation of any racial group that has experienced historic disparities, the DSHS must describe steps it is taking to address and remedy the disproportionality.

**EFFECT OF HUMAN SERVICES, REENTRY & REHABILITATION COMMITTEE AMENDMENT(S):** DSHS may terminate a WorkFirst recipient's grant after 12 months of continuous noncompliance.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Effective Date:** The bill contains several effective dates. Please refer to the bill.

**Staff Summary of Public Testimony on Substitute House Bill (Human Services, Reentry & Rehabilitation):** *The committee recommended a different version of the bill than what was heard.* PRO: TANF benefits are the last best hope for families in poverty. We have a duty to protect our most vulnerable and the effect of full family sanctions actually harms children. The federal definition of "refusing to work" is misleading. People end up with

sanctions due to challenges in finding child care, trying to find housing, addiction issues, abject poverty and just try to survive. In the long run, kicking people off TANF does not save us any money. We know that 1/3 of the families cut off are homeless, many also struggling with mental health challenges and the impact of the racial disproportionality of the penalties. The state has to meet work participation rates but prior the recession we did not have full family sanctions and we were never close to not meeting the work participation rates. There are much better ways to address these issues than punish families. While there is an exception for domestic violence, many survivors do not know this or they are afraid to let the caseworker know.

**Persons Testifying (Human Services, Reentry & Rehabilitation):** PRO: Representative Debra Entenman, Prime Sponsor; Julie Watts, Washington State Budget & Policy Center; Marcy Bowers, Statewide Poverty Action Network; Grete Schultz, Solid Ground; Traci Underwood, Washington State Coalition Against Domestic Violence; Jennifer Bereskin, citizen; Christianna Clinton, citizen; Shereese Rhodes, citizen.

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

**Staff Summary of Public Testimony on Bill as Amended by Human Services, Reentry & Rehabilitation (Ways & Means):** PRO: WorkFirst and Temporary Assistance for Needy Families grants are a critical lifeline for families when the fall on hard times. Harsh penalties and time limits imposed a decade ago have resulted in tens of thousands of families being cut from the program. Of these families, 40 percent were homeless and more than half had a parent with a severe mental health problem. The time limits also disproportionately impact black and indigenous families. Most families that face the time limit have not been on the program continuously for 60 months. The bill would create more flexibility for families who are dealing with ongoing problems, rather than cutting them off permanently when they face severe hardships. Related to non-compliance sanctions, right now when a parent gets sanctioned the whole family is the one who gets penalized. This means there is no cash assistance that providing support for the child in the family. This is an overly punitive policy considering that parents are often unable to meet their requirements for good reasons. Forty percent of sanctioned parents were homeless; 57 percent were in unstable housing, and two-thirds were in need of mental health services. They face other challenges such as chronic illness or disability, and limited access to transportation. This bill resolves some of these barriers and allow the cash grant to flow through so they can continue to support their children and families.

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

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