

HOUSE BILL REPORT

HB 2371

As Reported by House Committee On: Judiciary

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

Brief Description: Implementing child support pass-through payments.

Sponsors: Representatives Sawyer, Kilduff, Kagi, Ortiz-Self, Tarleton, Ormsby, Stonier and Gregerson.

Brief History:

Committee Activity:

Judiciary: 1/16/18, 1/24/18 [DPS].

Brief Summary of Substitute Bill

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

HOUSE COMMITTEE ON JUDICIARY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Jinkins, Chair; Kilduff, Vice Chair; Rodne, Ranking Minority Member; Graves, Assistant Ranking Minority Member; Goodman, Haler, Hansen, Kirby, Klippert, Muri, Orwall, Shea and Valdez.

Staff: Edie Adams (786-7180).

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 Temporary Assistance for Needy Families (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.

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.

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

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

Summary of Substitute Bill:

Effective February 1, 2019, the Department of Social and Health Services is required to pass through to families receiving assistance under the Temporary Assistance for Needy Families program up to \$100 per month in collected child support 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 Deficit Reduction Act of 2005.

Substitute Bill Compared to Original Bill:

The substitute bill delays implementation of the child support pass-through payments until February 1, 2019.

Appropriation: None.

Fiscal Note: Requested on January 12, 2018.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) During the recession the state substantially cut dollars out of the Temporary Assistance for Needy Families (TANF) program and also eliminated the child support pass-through payments. The bill reinstates the policy that a portion of child support payments pass through to a family. Twenty-five states plus the District of Columbia and Puerto Rico have this policy. It is important that children receive support from parents. Parents are more likely to pay support if they know the money is actually going to the family. Families in the TANF program do not want to rely on public assistance; they end up in the program because of the loss of a job, a medical crisis, or other traumatic events. Current TANF cash benefits are fairly low, so an extra \$100 represents a significant income boost which helps mitigate the benefits cliff that many families find themselves on. Allowing this monthly increase

while still in the TANF program will help give families the stability they need to leave the TANF program and not cycle back into the program. The focus on strategies to help reduce poverty is important. Research indicates that there are numerous negative impacts on children in poverty. Allowing a little more money to go to families could help reduce these negative impacts.

(Opposed) None.

(Other) The purpose of this bill is a good one, but state employees have concerns that the bill will create new workload and added complexity. When pass-through payments were previously adopted, it was a frustrating process for the support officers who had to implement the policy. Support officers have been trying to get reclassified but have not been successful. The hope is that some consideration can also be given to workload and pay issues for state employees who will be impacted by the legislation.

Persons Testifying: (In support) Representative Sawyer, prime sponsor; David Hlebain, Statewide Poverty Action Network; Laurie Lippold, Partners for our Children; and Katie Scott, Solid Ground.

(Other) Katie Nelson, Washington Federation of State Employees.

Persons Signed In To Testify But Not Testifying: None.