

HOUSE BILL REPORT

2SSB 5214

As Reported by House Committee On:
Housing, Human Services & Veterans
Appropriations

Title: An act relating to economic assistance programs.

Brief Description: Concerning economic assistance programs.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Nguyen, Dhingra, Darneille, Das, Frockt, Hasegawa, Hunt, Kuderer, Lias, Lovelett, Nobles, Robinson, Stanford and Wilson, C.).

Brief History:

Committee Activity:

Housing, Human Services & Veterans: 3/18/21, 3/23/21 [DPA];
Appropriations: 3/31/21, 4/1/21 [DPA(APP w/o HHSV)].

**Brief Summary of Second Substitute Bill
(As Amended By Committee)**

- Requires the Department of Social and Health Services to allow a time limit extension to the five-year limit for Temporary Assistance for Needy Families for months when the state unemployment rate was 7 percent or higher.
- Contains an effective date of July 1, 2023, contingent upon funding for 60-month time limit extensions for the 2021 – 2023 biennium.

HOUSE COMMITTEE ON HOUSING, HUMAN SERVICES & VETERANS

Majority Report: Do pass as amended. Signed by 8 members: Representatives Peterson, Chair; Taylor, Vice Chair; Gilday, Assistant Ranking Minority Member; Barkis, Bateman, Chopp, Leavitt and Thai.

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.

Minority Report: Without recommendation. Signed by 1 member: Representative Caldier, Ranking Minority Member.

Staff: Dawn Eychaner (786-7135).

Background:

Temporary Assistance for Needy Families (TANF) is a federal block grant that provides temporary cash assistance, subsidized childcare, and work programs for low-income families. 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 (IRP). 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 the Department of Social and Health Services (DSHS).

Five-Year Time Limit.

Federal rules limit the length of time an adult can receive TANF benefits to a cumulative total of five years. Time limit extensions (TLE) may be offered to families on the basis of hardship, as defined by the state, or in instances of family violence. States can extend federal TANF assistance beyond the five-year limit for up to 20 percent of the average monthly caseload. For federal fiscal year 2019, 5.4 percent of the state's caseload exceeded the five-year limit due to an approved hardship or family violence waiver.

The DSHS has adopted rules identifying who is eligible for a hardship TLE. Examples of hardship under the adopted rules include a person with severe and chronic disabilities, a person acting as a caregiver for a disabled child or adult, and a person experiencing homelessness, among others.

Beginning July 1, 2021, the DSHS must approve a TLE for hardship 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.

COVID-19 Policy Changes.

The DSHS adopted emergency rules to expand the TLE hardship criteria to apply to families experiencing hardships during the COVID-19 public health emergency. Since April 1, 2020, any resident of Washington who reaches the five-year limit is eligible for a hardship TLE.

State Unemployment Rates.

The state Employment Security Department (ESD) reports Washington's seasonally adjusted unemployment rates between March 2020 and February 2021 as:

Month-	03-20	04-20	05-20	06-20	07-20	08-20	09-20	10-20	11-20	12-20	01-21	02-21
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Year												
Rate	5.1%	16.3%	15.1%	10.0%	10.2%	8.5%	8.3%	6.0%	5.7%	7.1%	6.3%	5.6%

Summary of Amended Bill:

The DSHS must add to hardship criteria rules to allow a TLE when the recipient received TANF during a month on or after March 1, 2020, when the state unemployment rate was 7 percent or higher, and the recipient is otherwise eligible.

The extension must be equal to the number of months that the recipient received TANF and the required unemployment rate was met, and must be applied sequentially to any other hardship extension that may apply.

The provisions of the act apply both prospectively and retroactively to March 1, 2020. If any part of the act is found to be in conflict with federal requirements, the conflicting part of the act is inoperative. Rules adopted under the act must meet federal requirements that are a necessary condition to the receipt of federal funds.

Amended Bill Compared to Second Substitute Bill:

The amended bill includes the entire month of March 2020 in the TLE policy and adds a federal severability clause.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended 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) This bill is being brought forward in response to the COVID-19 pandemic and the economic and health crisis facing our state. The DSHS has some discretion now with rules that they've adopted in response to COVID-19, but this would create guidance in statute to address periods when unemployment is over 7 percent. Jobs that earn more than \$60,000 yearly are back to pre-pandemic employment levels, if not higher, but lower income families are still struggling. The state should not put an undue burden on these families. Low-income neighborhoods have a negative history of redlining and disinvestment. Too many families have to choose between food and housing. One in six people in Spokane are facing food insecurity. Childhood poverty has drastic impacts on a

person's long-term health. In the wake of COVID-19, TANF has become an increasingly necessary lifeline and will remain essential for economic recovery. By providing additional time on TANF during an economic downturn, TANF will be preserved for families who struggle to secure employment when many jobs are not readily available. The average length of stay on the TANF caseload is under 12 months, so most households will not reach the maximum time limit. Those households that do are facing the steepest road to well-being. Families of color are shouldering the most severe impacts of the COVID-19 pandemic. Families on TANF have been hurt by the lack of child care, scarcity of jobs during the COVID-19 pandemic, and often face additional trauma such as domestic violence and unstable housing. This bill falls short of addressing racial equity issues deeply embedded in the TANF program. More changes will be needed in future sessions to address the disparate impacts on families of color. Please support a much-needed cash grant increase in the upcoming budget in addition to this bill. There is a strong connection between poverty and child neglect. Inadequate income, more than any other variable, constitutes removal in the child welfare system.

(Opposed) None.

(Other) This bill has a commendable goal of providing access to public assistance to those who need it most. The Governor's budget proposal similarly directs DSHS to extend time limits for families through the next biennium. The effective date and retroactivity clauses in the bill provide implementation challenges for the DSHS. Information technology system changes would be needed in the DSHS to automate who is eligible for TLEs. To implement the bill under the current timeline, the DSHS will need to conduct a manual process to calculate additional months. This manual process could be error-prone, time consuming, and may require adjustments to staffing patterns, resulting in longer wait times for clients. This policy may bring the state closer than ever to the 20 percent federal cap for TLEs. While the chance of reaching the cap is small, if the caseload goes above that cap, services for those individuals would need to be funded entirely with state general funds.

Persons Testifying: (In support) Senator Nguyen, prime sponsor; Em Rose, Partners for Our Children; Lianna Kressin, Statewide Poverty Action Network; Mary Dombrowski, Northwest Harvest; and Liz Olson, Washington State Budget and Policy Center.

(Other) Babs Roberts, Department of Social and Health Services.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass as amended by Committee on Appropriations and without amendment by Committee on Housing, Human Services & Veterans. Signed by 25 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier,

Chopp, Cody, Dolan, Fitzgibbon, Frame, Hansen, Harris, Hoff, Johnson, J., Lekanoff, Pollet, Ryu, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 1 member: Representative Rude.

Minority Report: Without recommendation. Signed by 7 members: Representatives Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; Chandler, Dye, Jacobsen and Schmick.

Staff: Linda Merelle (786-7092).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Housing, Human Services & Veterans:

The Appropriations Committee recommended the following:

- removing the provision that applied the act prospectively and retroactively, beginning March 1, 2020; and
- changing the effective date to July 1, 2023, contingent upon funding in the 2021 – 2023 Omnibus Appropriations Budget (appropriations budget) by June 30, 2021, for a 60-month time limit extension during the 2021 – 2023 biennium. If funding is not provided in the appropriations budget, the act takes effect 90 days after adjournment of the session in which it is enacted.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect on July 1, 2023, contingent upon funding for a 60-month time limit extension through the 2021 – 2023 biennium. However, the bill takes effect 90 days after adjournment of the session in which the bill is passed if the time-limit extension is not funded in the budget.

Staff Summary of Public Testimony:

(In support) The policy in this bill complements the investments already made by the Legislature by creating a stop-gap for families living in poverty; however, it falls short of addressing racial inequities.

(Opposed) None.

Persons Testifying: Lianna Kressin, Statewide Poverty Action Network.

Persons Signed In To Testify But Not Testifying: None.