## SECOND SUBSTITUTE HOUSE BILL 1447

State of Washington 68th Legislature 2023 Regular Session

By House Appropriations (originally sponsored by Representatives Peterson, Gregerson, Berry, Taylor, Simmons, Ortiz-Self, Ryu, Reed, Kloba, Doglio, Ormsby, Thai, Fosse, Pollet, Macri, Alvarado, and Leavitt)

READ FIRST TIME 02/24/23.

- AN ACT Relating to strengthening the ability of assistance programs to meet foundational needs of children, adults, and families; amending RCW 74.04.005, 74.08A.010, 74.08A.015, 74.08A.230, 74.08A.250, and 74.08A.270; reenacting and amending RCW 74.08A.010; creating a new section; providing effective dates; providing an expiration date; and declaring an emergency.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 8 **Sec. 1.** RCW 74.04.005 and 2020 c 136 s 1 are each amended to 9 read as follows:
- 10 For the purposes of this title, unless the context indicates 11 otherwise, the following definitions shall apply:
- 12 (1) "Aged, blind, or disabled assistance program" means the 13 program established under RCW 74.62.030.
- 14 (2) "Applicant" means any person who has made a request, or on 15 behalf of whom a request has been made, to any county or local office 16 for assistance.
- 17 (3) "Authority" means the health care authority.
- 18 (4) "County or local office" means the administrative office for one or more counties or designated service areas.
- 20 (5) "Department" means the department of social and health 21 services.

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- (6) "Director" means the director of the health care authority.
- (7) "Essential needs and housing support program" means the program established in RCW 43.185C.220.
- (8) "Federal aid assistance" means the specific categories of assistance for which provision is made in any federal law existing or hereafter passed by which payments are made from the federal government to the state in aid or in respect to payment by the state for public assistance rendered to any category of needy persons for which provision for federal funds or aid may from time to time be made, or a federally administered needs-based program.
  - (9) "Income" means:

- (a) All appreciable gains in real or personal property (cash or kind) or other assets, which are received by or become available for use and enjoyment by an applicant or recipient during the month of application or after applying for or receiving public assistance. The department may by rule and regulation exempt income received by an applicant for or recipient of public assistance which can be used by him or her to decrease his or her need for public assistance or to aid in rehabilitating him or her or his or her dependents, but such exemption shall not, unless otherwise provided in this title, exceed the exemptions of resources granted under this chapter to an applicant for public assistance. In addition, for cash assistance the department may disregard income pursuant to RCW 74.08A.230 and 74.12.350.
- (b) If, under applicable federal requirements, the state has the option of considering property in the form of lump sum compensatory awards or related settlements received by an applicant or recipient as income or as a resource, the department shall consider such property to be a resource.
- (10) "Need" means the difference between the applicant's or recipient's standards of assistance for himself or herself and the dependent members of his or her family, as measured by the standards of the department, and value of all nonexempt resources and nonexempt income received by or available to the applicant or recipient and the dependent members of his or her family.
- (11) "Public assistance" or "assistance" means public aid to persons in need thereof for any cause, including services, medical care, assistance grants, disbursing orders, work relief, benefits under RCW 74.62.030 and 43.185C.220, and federal aid assistance.

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- 1 (12) "Recipient" means any person receiving assistance and in 2 addition those dependents whose needs are included in the recipient's 3 assistance.
  - (13) "Resource" means any asset, tangible or intangible, owned by or available to the applicant at the time of application, which can be applied toward meeting the applicant's need, either directly or by conversion into money or its equivalent. The department may by rule designate resources that an applicant may retain and not be ineligible for public assistance because of such resources. Exempt resources shall include, but are not limited to:
  - (a) A home that an applicant, recipient, or their dependents is living in, including the surrounding property;
    - (b) Household furnishings and personal effects;

- (c) One motor vehicle, other than a motor home, <u>that is</u> used and useful ((having an equity value not to exceed ten thousand dollars));
- (d) A motor vehicle necessary to transport a household member with a physical disability. This exclusion is limited to one vehicle per person with a physical disability;
  - (e) Retirement funds, pension plans, and retirement accounts;
- <u>(f)</u> All other resources, including any excess of values exempted, not to exceed ((six thousand dollars)) \$25,000 or other limit as set by the department, to be consistent with limitations on resources and exemptions necessary for federal aid assistance;
- $((\frac{f}{f}))$  (g) Applicants for or recipients of benefits under RCW 74.62.030 and 43.185C.220 shall have their eligibility based on resource limitations consistent with the temporary assistance for needy families program rules adopted by the department; and
- ((<del>(g)</del>)) (h) If an applicant for or recipient of public assistance possesses property and belongings in excess of the ceiling value, such value shall be used in determining the need of the applicant or recipient, except that: (i) The department may exempt resources or income when the income and resources are determined necessary to the applicant's or recipient's restoration to independence, to decrease the need for public assistance, or to aid in rehabilitating the applicant or recipient or a dependent of the applicant or recipient; and (ii) the department may provide grant assistance for a period not to exceed nine months from the date the agreement is signed pursuant to this section to persons who are otherwise ineligible because of excess real property owned by such persons when they are making a good faith effort to dispose of that property if:

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- 1 (A) The applicant or recipient signs an agreement to repay the 2 lesser of the amount of aid received or the net proceeds of such 3 sale;
- 4 (B) If the owner of the excess property ceases to make good faith efforts to sell the property, the entire amount of assistance may become an overpayment and a debt due the state and may be recovered pursuant to RCW 43.20B.630;
- 8 (C) Applicants and recipients are advised of their right to a 9 fair hearing and afforded the opportunity to challenge a decision 10 that good faith efforts to sell have ceased, prior to assessment of 11 an overpayment under this section; and
- 12 (D) At the time assistance is authorized, the department files a 13 lien without a sum certain on the specific property.
- 14 (14) "Secretary" means the secretary of social and health 15 services.
- 16 (15) "Standards of assistance" means the level of income required 17 by an applicant or recipient to maintain a level of living specified 18 by the department.
- 19 (16)(a) "Victim of human trafficking" means a noncitizen and any qualifying family members who have:
- 21 (i) Filed or are preparing to file an application for T 22 nonimmigrant status with the appropriate federal agency pursuant to 8 23 U.S.C. Sec. 1101(a)(15)(T), as it existed on January 1, 2020;
- (ii) Filed or are preparing to file an application with the appropriate federal agency for status pursuant to 8 U.S.C. Sec. 1101(a)(15)(U), as it existed on January 1, 2020; or
- (iii) Been harmed by either any violation of chapter 9A.40 or 9.68A RCW, or both, or by substantially similar crimes under federal law or the laws of any other state, and who:
- 30 (A) Are otherwise taking steps to meet the conditions for federal 31 benefits eligibility under 22 U.S.C. Sec. 7105, as it existed on 32 January 1, 2020; or
- 33 (B) Have filed or are preparing to file an application with the appropriate federal agency for status under 8 U.S.C. Sec. 1158.
  - (b) (i) "Qualifying family member" means:
- 36 (A) A victim's spouse and children; and

37 (B) When the victim is under ((twenty-one)) 21 years of age, a 38 victim's parents and unmarried siblings under the age of ((eighteen)) 39 18.

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(ii) "Qualifying family member" does not include a family member who has been charged with or convicted of attempt, conspiracy, solicitation, or commission of any crime referenced in this subsection or described under 8 U.S.C. Sec. 1101(a)(15)(T) or (U) as either existed on January 1, 2020, when the crime is against a spouse who is a victim of human trafficking or against the child of a victim of human trafficking.

- (17) For purposes of determining eligibility for public assistance and participation levels in the cost of medical care, the department shall exempt restitution payments made to people of Japanese and Aleut ancestry pursuant to the Civil Liberties Act of 1988 and the Aleutian and Pribilof Island Restitution Act passed by congress, P.L. 100-383, including all income and resources derived therefrom.
- 15 (18) In the construction of words and phrases used in this title, 16 the singular number shall include the plural, the masculine gender 17 shall include both the feminine and neuter genders, and the present 18 tense shall include the past and future tenses, unless the context 19 thereof shall clearly indicate to the contrary.
- **Sec. 2.** RCW 74.08A.010 and 2022 c 24 s 1 are each amended to 21 read as follows:
  - (1) A family that includes an adult who has received temporary assistance for needy families for ((sixty)) 60 months after July 27, 1997, shall be ineligible for further temporary assistance for needy families assistance.
  - (2) For the purposes of applying the rules of this section, the department shall count any month in which an adult family member received a temporary assistance for needy families cash assistance grant unless the assistance was provided when the adult family member was a minor child and not the head of the household or married to the head of the household.
  - (3) ((The department shall adopt regulations to apply the sixty-month time limit to households in which a parent is in the home and ineligible for temporary assistance for needy families. Any regulations shall be consistent with federal funding requirements.
  - (4))) The department shall refer recipients who require specialized assistance to appropriate department programs, crime victims' programs through the department of commerce, or the crime

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1 victims' compensation program of the department of labor and 2 industries.

 $((\frac{5}{a}))$  (4) The department shall add to adopted rules related to temporary assistance for needy families time limit extensions, the following criteria by which the department shall exempt a recipient and the recipient's family from the application of subsection (1) of this section:

 $((\frac{1}{2}))$  (a) By reason of hardship, including when:

((<del>(A)</del>)) <u>(i)</u> 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 (Title 42 U.S.C., chapter 119, subchapter VI, part B) as it existed on January 1, 2020;

(((+B+))) (ii) The recipient received temporary assistance for needy families during a month on or after March 1, 2020, when Washington state's unemployment rate as published by the Washington employment security department was equal to or greater than seven percent, and the recipient is otherwise eligible for temporary assistance for needy families except that they have exceeded 60 months. The extension provided for under this subsection (((+b+))) (4) (a)((+b+)) (ii) is equal to the number of months that the recipient received temporary assistance for needy families during a month on or after March 1, 2020, when the unemployment rate was equal to or greater than seven percent, and is applied sequentially to any other hardship extensions that may apply under this subsection ((+b+)) (4) or in rule; or

(((C))) <u>(iii)</u> Beginning July 1, 2022, the Washington state unemployment rate most recently published by the Washington employment security department is equal to or greater than seven percent; or

 $((\frac{\text{(ii)}}{\text{)}}))$  If the family includes an individual who meets the family violence options of section 402(A)(7) of Title IVA of the federal social security act as amended by P.L. 104-193.

(((b) Policies related to circumstances under which a recipient will be exempted from the application of subsection (1) or (3) of this section shall treat adults receiving benefits on their own behalf, and parents receiving benefits on behalf of their child similarly, unless required otherwise under federal law.

 $\frac{(6)}{(5)}$ ) The department shall not exempt a recipient and his or 40 her family from the application of subsection (1)  $((\frac{or}{(3)}))$  of this

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1 section until after the recipient has received (( $\frac{\text{fifty-two}}{\text{two}}$ ))  $\underline{52}$  months of assistance under this chapter.

- ((<del>(7)</del>)) <u>(6)</u> The department shall provide transitional food assistance for a period of five months to a household that ceases to receive temporary assistance for needy families assistance and is not in sanction status. If necessary, the department shall extend the household's basic food certification until the end of the transition period.
- $((\frac{(8)}{(8)}))$   $\underline{(7)}$  The department may adopt rules specifying which 10 published employment security department unemployment rates to use 11 for the purposes of subsection  $((\frac{(5)}{(5)}))$   $\underline{(4)}$  (a)  $((\frac{(i)}{(B)})$  and  $\underline{(C)}$ ))  $\underline{(ii)}$  12 and  $\underline{(iii)}$  of this section.
- **Sec. 3.** RCW 74.08A.010 and 2022 c 98 s 1 and 2022 c 24 s 1 are 14 each reenacted and amended to read as follows:
  - (1) A family that includes an adult who has received temporary assistance for needy families for ((sixty)) 60 months after July 27, 1997, shall be ineligible for further temporary assistance for needy families assistance.
  - (2) For the purposes of applying the rules of this section, the department shall count any month in which an adult family member received a temporary assistance for needy families cash assistance grant unless the assistance was provided when the adult family member was a minor child and not the head of the household or married to the head of the household.
  - (3) ((The department shall adopt regulations to apply the sixty-month time limit to households in which a parent is in the home and ineligible for temporary assistance for needy families. Any regulations shall be consistent with federal funding requirements.
  - (4))) The department shall refer recipients who require specialized assistance to appropriate department programs, crime victims' programs through the department of commerce, or the crime victims' compensation program of the department of labor and industries.
  - $((\frac{5}{a}))$   $\underline{(4)}$  The department shall add to adopted rules related to temporary assistance for needy families time limit extensions, the following criteria by which the department shall exempt a recipient and the recipient's family from the application of subsection (1) of this section:
- $((\frac{(i)}{(i)}))$  (a) By reason of hardship, including when:

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((<del>(A)</del>)) <u>(i)</u> 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 (Title 42 U.S.C., chapter 119, subchapter VI, part B) as it existed on January 1, 2020;

 $((\frac{C}{C}))$  <u>(iii)</u> Beginning July 1, 2022, the Washington state unemployment rate most recently published by the Washington employment security department is equal to or greater than seven percent; or

 $((\frac{(ii)}{(ii)}))$  If the family includes an individual who meets the family violence options of section 402(A)(7) of Title IVA of the federal social security act as amended by P.L. 104-193.

((b) Policies related to circumstances under which a recipient will be exempted from the application of subsection (1) or (3) of this section shall treat adults receiving benefits on their own behalf, and parents receiving benefits on behalf of their child similarly, unless required otherwise under federal law.

(6))) (5) The department shall not exempt a recipient and his or her family from the application of subsection (1) ((or (3))) of this section until after the recipient has received ((fifty-two)) 52 months of assistance under this chapter.

(((+7))) (6) The department shall provide transitional food assistance for a period of five months to a household that ceases to receive temporary assistance for needy families assistance and is not in full-family sanction status. If a member of a household has been sanctioned but the household is still receiving benefits, the remaining eligible household members may receive transitional food

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- assistance. If necessary, the department shall extend the household's basic food certification until the end of the transition period.
- 3 (((+8))) <u>(7)</u> The department may adopt rules specifying which 4 published employment security department unemployment rates to use 5 for the purposes of subsection (((+5))) <u>(4)</u> (a) ((+1)) and (C)) <u>(ii)</u>
- 6 <u>and (iii)</u> of this section.
- 7 **Sec. 4.** RCW 74.08A.015 and 2021 c 239 s 3 are each amended to 8 read as follows:
- 9 All families who have received temporary assistance for needy 10 families since March 1, 2020, are eligible for the extension under
- 11 RCW 74.08A.010(( $\frac{(5)}{(5)}$ ))  $\frac{(4)}{(a)}$ (a)(( $\frac{(i)}{(B)}$ ))  $\frac{(ii)}{(ii)}$ , regardless of whether
- 12 they are current recipients. Eligible families shall only receive
- 13 temporary assistance for needy families benefits that accrue after
- 14 July 25, 2021.

- 15 **Sec. 5.** RCW 74.08A.230 and 1997 c 58 s 308 are each amended to 16 read as follows:
- 17 (1) In addition to their monthly benefit payment, a family may
  18 earn and keep 100 percent of new earnings for up to six months. After
  19 six consecutive months, the department may only disregard one-half of
  20 ((its)) the family's earnings during every month it is eligible to
  21 receive assistance under this section.
- (2) In no event may a family be eligible for temporary assistance for needy families if its monthly gross ((earned)) income exceeds ((the maximum earned income level as set by the department)) 200 percent of the federal poverty level. In calculating a household's gross earnings, the department shall disregard the earnings of a minor child who is:
  - (a) A full-time student; or
- 29 (b) A part-time student carrying at least half the normal school load and working fewer than ((thirty-five)) 35 hours per week.
- 31 **Sec. 6.** RCW 74.08A.250 and 2019 c 343 s 5 are each amended to 32 read as follows:
- 33 Unless the context clearly requires otherwise, as used in this 34 chapter, "work activity" means:
- 35 (1) Unsubsidized paid employment in the private or public sector;

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- (2) Subsidized paid employment in the private or public sector, including employment through the state or federal work-study program for a period not to exceed ((twenty-four)) 24 months;
  - (3) Work experience, including:

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- 5 (a) An internship or practicum, that is paid or unpaid and is 6 required to complete a course of vocational training or to obtain a 7 license or certificate in a high-demand occupation, as determined by 8 the employment security department. No internship or practicum shall 9 exceed ((twelve)) 12 months; or
- 10 (b) Work associated with the refurbishing of publicly assisted 11 housing, if sufficient paid employment is not available;
  - (4) On-the-job training;
  - (5) Job search and job readiness assistance;
  - (6) Community service programs, including a recipient's voluntary service at a child care or preschool facility licensed under chapter 43.216 RCW or an elementary school in which his or her child is enrolled;
    - (7) Vocational educational training, not to exceed ((twelve)) 12 months with respect to any individual except that this ((twelve-month)) 12-month limit may be increased to ((twenty-four)) 24 months subject to funding appropriated specifically for this purpose;
      - (8) Job skills training directly related to employment;
    - (9) Education directly related to employment, in the case of a recipient who has not received a high school diploma or a high school equivalency certificate as provided in RCW 28B.50.536;
    - (10) Satisfactory attendance at secondary school or in a course of study leading to a high school equivalency certificate as provided in RCW 28B.50.536, in the case of a recipient who has not completed secondary school or received such a certificate;
  - (11) The provision of child care services to an individual who is participating in a community service program;
  - (12) Internships, that shall be paid or unpaid work experience performed by an intern in a business, industry, or government or nongovernmental agency setting;
  - (13) Practicums, which include any educational program in which a student is working under the close supervision of a professional in an agency, clinic, or other professional practice setting for purposes of advancing their skills and knowledge;
- 39 (14) Services required by the recipient under RCW 74.08.025(2) and 74.08A.010(((4+))) (3) to become employable;

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- 1 (15) Financial literacy activities designed to be effective in 2 assisting a recipient in becoming self-sufficient and financially 3 stable; and
  - (16) Parent education services or programs that support development of appropriate parenting skills, life skills, and employment-related competencies.
- **Sec. 7.** RCW 74.08A.270 and 2017 3rd sp.s. c 21 s 2 are each 8 amended to read as follows:
  - (1) Good cause reasons for failure to participate in WorkFirst program components include <u>situations where</u>: (a) ((<del>Situations where the</del>)) The recipient is a parent or other relative personally providing care for a child under the age of six years, and formal or informal child care, or day care for an incapacitated individual living in the same home as a dependent child, is necessary for an individual to participate or continue participation in the program or accept employment, and such care is not available, and the department fails to provide such care; ((<del>or</del>)) (b) the recipient is a parent with a child under the age of two years; or (c) the recipient is experiencing a hardship as defined by the department in rule.
  - (2) A parent claiming a good cause exemption from WorkFirst participation under subsection (1)(b) of this section may be required to participate in one or more of the following, up to a maximum total of twenty hours per week, if such treatment, services, or training is indicated by the comprehensive evaluation or other assessment:
    - (a) Mental health treatment;

- (b) Alcohol or drug treatment;
- (c) Domestic violence services; or
- 28 (d) Parenting education or parenting skills training, if 29 available.
  - (3) The department shall: (a) Work with a parent claiming a good cause exemption under subsection (1)(b) of this section to identify and access programs and services designed to improve parenting skills and promote child well-being, including but not limited to home visitation programs and services; and (b) provide information on the availability of home visitation services to temporary assistance for needy families caseworkers, who shall inform clients of the availability of the services. If desired by the client, the caseworker shall facilitate appropriate referrals to providers of home visitation services.

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- 1 (4) Nothing in this section shall prevent a recipient from 2 participating in the WorkFirst program on a voluntary basis.
- 3 (5) A parent is eligible for a good cause exemption under 4 subsection (1)(b) of this section for a maximum total of ((twenty-5 four)) 24 months over the parent's lifetime.
- NEW SECTION. Sec. 8. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2023, in the omnibus appropriations act, this act is null and void.
- NEW SECTION. Sec. 9. Section 2 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2023.
- NEW SECTION. Sec. 10. Section 2 of this act expires January 1, 2024.
- NEW SECTION. Sec. 11. Section 3 of this act takes effect January 1, 2024.
- NEW SECTION. Sec. 12. Section 1 of this act takes effect 19 February 1, 2024.
- NEW SECTION. Sec. 13. Section 5 of this act takes effect August 1, 2024.

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