SENATE BILL REPORT
SB 5609

As Reported by Senate Committee On:
Human Services, Mental Health & Housing, February 14, 2017

Title: An act relating to addressing resource limitations for public assistance.

Brief Description: Addressing resource limitations for public assistance.

Sponsors: Senators Darneille, Hasegawa and Saldaña.

Brief History:
Committee Activity: Human Services, Mental Health & Housing: 2/06/17, 2/14/17 [DP-WM, w/oRec].

Brief Summary of Bill

- Revises exemptions relating to personal assets and the receipt of public assistance.

SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING

Majority Report: Do pass and be referred to Committee on Ways & Means.
Signed by Senators O'Ban, Chair; Miloscia, Vice Chair; Darneille, Ranking Minority Member; Carlyle, Hunt and Walsh.

Minority Report: That it be referred without recommendation.
Signed by Senator Padden.

Staff: Alison Mendiola (786-7444)

Background: The Department of Social and Health Services' Economic Services Administration (ESA) administers a number of public assistance programs, including services, medical care, cash grants, and food assistance. Eligibility to receive public assistance is generally determined by examining an applicant's family size, disability status, income, and in some cases the resources or assets available to an applicant.

Asset Exemptions and Limitations. A combination of state and federal laws govern whether and how resources are counted when determining eligibility for assistance. State law for

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receipt of public assistance defines resources as tangible and intangible assets owned by or available to an applicant, which can be applied toward meeting the applicant's need either directly or by conversion into cash or its equivalent. Resources exempted when determining eligibility for assistance include:

- a home being lived in;
- household furnishing and personal effects;
- a vehicle with an equity value of $5,000 or less;
- a vehicle necessary to transport a physically disabled household member; and
- all other resources not to exceed $1,000—or for recipients of Temporary Assistance for Needy Families (TANF), up to $3,000 in combined savings accounts.

In addition to these expressly exempted resources, the ESA may exempt additional resources or income necessary to restore the applicant to independence, reduce the need for public assistance, or aid in rehabilitating the applicant or a dependent of the applicant.

If an applicant for public assistance possesses or has access to resources in excess of the ceiling value of exempted resources, as determined by law or rule, the excess value is counted when determining the applicant's need for assistance. The applicant's non-exempt resources may make the applicant ineligible to receive assistance.

<u>States' Authority and Variability Regarding Resource Limits.</u> States have authority to determine some policies related to families receiving public assistance. For TANF, states can eliminate asset limits altogether. Eight states, namely Alabama, Colorado, Hawaii, Illinois, Louisiana, Maryland, Ohio and Virginia, have eliminated all asset limits for TANF recipients.

Summary of Bill: The category of exempt resources for purposes of determining eligibility for public assistance is amended as follows:

- all motor vehicles are exempt, regardless of the equity value; and
- all other resources not to exceed $1,000 is changed to $6,000.

Language allowing TANF recipients to exempt savings accounts with combined balances of up to an additional $3,000 is eliminated.

Appropriation: None.

Fiscal Note: Requested on January 31, 2017.

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: PRO: Similar to what has been done in other states, the Governor's budget eliminates asset limits. This bill provides incremental change by eliminating the car asset limit and increasing the total assets an applicant/recipient can have. People have a short-term problem and need to divest of their assets creating a long-term problem. For example, a person might be fleeing a domestic violence situation but currently if her car is worth $5,000 or more, she wouldn't qualify for any benefits—if she otherwise met all the other requirements. Twenty-four states exclude vehicles from having an asset limit. Eliminating the cap on a car would allow people to be on public assistance for even less time. To qualify for WorkFirst, you can only make $1,042 a month but you need to work and have reliable transportation. The car asset limit was put into place in 1996 and it has not been adjusted since then. If you adjust the $5,000 for inflation, that would be $7,500 today. These programs are a safety net but asset limits can make people fall to the floor first to qualify for assistance.

Persons Testifying: PRO: Senator Jeannie Darneille, Prime Sponsor; Alex Hur, Statewide Poverty Action Network; Claire Lane, Anti-Hunger & Nutrition Coalition; Michael Althauser, Columbia Legal Services.

Persons Signed In To Testify But Not Testifying: No one.