

HOUSE BILL REPORT

2SSB 6478

As Reported by House Committee On:
Human Services & Early Learning

Title: An act relating to revising economic assistance programs by updating standards of need, revising outcome measures and data collected, and reducing barriers to participation.

Brief Description: Revising economic assistance programs.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Nguyen, Darneille, Stanford, Saldaña, Dhingra, Das and Hasegawa).

Brief History:

Committee Activity:

Human Services & Early Learning: 2/25/20, 2/26/20 [DPA].

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

- 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.
- Adds hardship criteria for extensions to TANF time limits.
- Directs the 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.

HOUSE COMMITTEE ON HUMAN SERVICES & EARLY LEARNING

Majority Report: Do pass as amended. Signed by 7 members: Representatives Senn, Chair; Callan, Vice Chair; Frame, Vice Chair; Goodman, Kilduff, Lovick and Ortiz-Self.

Minority Report: Do not pass. Signed by 5 members: Representatives Dent, Ranking Minority Member; Eslick, Assistant Ranking Minority Member; McCaslin, Assistant Ranking Minority Member; Corry and Klippert.

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.

Minority Report: Without recommendation. Signed by 1 member: Representative Griffey.

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).

Work Participation and Sanctions.

Federal law and state rules require a reduction or termination of a family's TANF benefits if an individual in the family refuses to participate in work requirements, unless the individual meets criteria to be exempt from mandatory work participation or has good cause. This reduction of assistance is referred to as "noncompliance sanction." A family's TANF grant is reduced by one person's share or 40 percent, whichever is more, when a recipient is in noncompliance sanction. After two months in noncompliance sanction, the recipient's case is closed.

The DSHS may waive sanction policies if the recipient refuses to participate in work for good cause. Examples of good cause reasons for failure to participate include when the recipient is a parent or other relative personally caring for a child under age 6 and appropriate care necessary for the recipient to participate is not available or when the recipient is a parent of a child under age 2.

Five-Year Time Limit.

Federal rules limit the length of time an adult can receive TANF benefits to a cumulative total of 60 months or five years. 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 five-year limit.

Extensions may only be offered to families on the basis of hardship, as defined by the state, or in instances of family violence. The 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 five-year 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, the DSHS must review the case to ensure the DSHS has considered any barriers to work and made any necessary revisions to the recipient's IRP. After two months of continuous noncompliance, the family's grant must be reduced by the recipient's share or 40 percent, whichever is greater. The DSHS may not terminate the grant. The DSHS is required to waive sanction policies for recipients who do not engage in work for good cause.

Five-Year Time Limit.

The 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. The DSHS must allow extensions in 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; 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 five-year time limit is removed.

The 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. The 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 31 each year, the 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 five-year 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.

Amended Bill Compared to Second Substitute Bill:

The amended bill:

- removes the provision requiring the DSHS to terminate a family's grant after 12 months of continuous noncompliance;
- replaces the term "refused to" with "did not" when referring to a recipient's noncompliance with work activity requirements for good cause;
- adds criteria by which the DSHS must exempt a recipient from the five-year lifetime limit for benefits and removes the existing definition of "homeless person" as it relates to time limit extensions;
- requires the DSHS to report disaggregated data identifying the race of individuals whose benefits were reduced or terminated during the preceding year due to sanction or reaching the five-year limit and describe steps the DSHS is taking to address and remedy any racial disproportionality;
- directs the DSHS to conduct outreach to families terminated due to time limits on or after January 1, 2015, who appear to otherwise meet expanded time limit extension criteria in order to notify families of policy changes and encourage them to reapply for assistance;
- removes the effective date of May 1, 2021, for the act and adds an effective date of July 1, 2021, for time limit extension and noncompliance sanction policy changes;
- removes the provision specifying the act applies prospectively only; and
- removes the null and void clause.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for sections 1 and 3, relating to exemptions from the 60-month time limit and sanctions for nonparticipation in WorkFirst activities, which take effect July 1, 2021.

Staff Summary of Public Testimony:

(In support) During the recession, the state made cuts to programs such as WorkFirst and TANF, and those cuts have not been restored. These reductions in assistance are related to the issues today with homelessness and housing assistance challenges. The WorkFirst and TANF programs are a crucial lifeline to families living in poverty. The striking amendment is important because the DSHS' own data shows that families are terminated not because they refuse to participate in the program but because of barriers. Four out of five families terminated last year due to the noncompliance sanction were not connected with Working Connections Child Care (WCCC). There are child care deserts in the state where families do not have access to the WCCC benefits. Forty percent of people cut off were homeless in the prior year. The state should not be penalizing children when their families are struggling with homelessness. These sanction policies are exacerbating the mental health crisis in the state. The House of Representatives has already passed House Bill 2441, which would eliminate the full family sanction and make the time limits more fair to families. The striking amendment will deepen the positive impact of this bill. The investments made now for children in this program will pay off in the long run for the state with better outcomes for

these children and bring greater equity into the fight against intergenerational poverty. Pediatricians address acute health care problems and work with families to help children grow into healthy adults. Basic needs not being met lead to adverse childhood experiences that can have developmental effects on a child into their adult years. When parents and guardians receive direct financial assistance, research shows they use those resources to support a child's healthy development. The TANF program plays a critical role in keeping families housed and their utilities connected. Families in crisis cannot meet their IRPs, and the TANF benefits are taken away when a family needs it most, making an already difficult situation more traumatizing.

(Opposed) None.

(Other) Every year since 2011, there has been harm done by punitive TANF program policies. This bill is a small step in reducing these punitive policies. Eliminating full family sanctions is critical. The bill falls short, and the sanction language in House Bill 2441 would be better. The TANF cases in sanction do not reflect the reality that those clients who want to receive the benefit are not refusing to comply. These clients are struggling to meet the work requirements and often have significant mental health or other barriers such as not being able to find child care. The belief that clients on the TANF program do not want to participate is incorrect and an oversimplification. Full family sanctions worsen families' conditions and make it more difficult for them to get back on their feet. Ending the full family sanction and extending the time limit will go a long way toward helping families.

Persons Testifying: (In support) Senator Nguyen, prime sponsor; Julie Watts, Washington State Budget and Policy Center; Jeff DeLuca, Washington State Community Action Partnership; Thomas Long, Washington Chapter American Academy of Pediatrics; and Alex Hur, Statewide Poverty Action Network.

(Other) Emil Floresco, Statewide Poverty Action Network; and Grete Schultz, Solid Ground.

Persons Signed In To Testify But Not Testifying: None.