

SENATE BILL REPORT

2SSB 6478

As Amended by House, March 6, 2020

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, Reentry & Rehabilitation: 1/22/20, 1/30/20 [DPS-WM, w/oRec].

Ways & Means: 2/10/20, 2/11/20 [DP2S, DNP, w/oRec].

Floor Activity:

Passed Senate: 2/18/20, 30-18.

Passed House: 3/06/20, 57-40.

Brief Summary of Second Substitute Bill

- Provides that, if a WorkFirst recipient refuses to engage in work and work activities as required, after two months of continuous noncompliance, the family's grant must be reduced by the recipient's share or by 40 percent, whichever is greater, and must be terminated after 12 months of continuous noncompliance.

SENATE COMMITTEE ON HUMAN SERVICES, REENTRY & REHABILITATION

Majority Report: That Substitute Senate Bill No. 6478 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Darneille, Chair; Nguyen, Vice Chair; Walsh, Ranking Member; Cleveland, Wilson, C. and Zeiger.

Minority Report: That it be referred without recommendation.

Signed by Senator O'Ban.

Staff: Alison Mendiola (786-7488)

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SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6478 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Billig, Carlyle, Conway, Darneille, Dhingra, Hasegawa, Hunt, Keiser, Lias, Pedersen and Van De Wege.

Minority Report: Do not pass.

Signed by Senators Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Becker, Muzzall, Schoesler and Wilson, L..

Minority Report: That it be referred without recommendation.

Signed by Senators Wagoner and Warnick.

Staff: Sarah Emmans (786-7478)

Background: Temporary Assistance for Needy Families. Temporary Assistance for Needy Families (TANF) was created under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. TANF is a federal block grant providing temporary cash assistance, subsidized childcare, and work programs for families. States use TANF block grants to operate their own programs. State programs differ, but operate in accordance with the following purposes set forth in federal law:

- providing assistance to needy families so children may be cared for in their own homes or in the homes of relatives;
- ending the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- preventing and reducing the incidence of out-of-wedlock pregnancies and establishing annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- encouraging the formation and maintenance of two-parent families.

WorkFirst. WorkFirst is Washington State's TANF program which was initiated in 1997. With limited exceptions, adult recipients of TANF benefits must participate in one or more WorkFirst activities. These activities may include paid and unpaid employment-based training programs, career development, community service, work skills assessment and job hunting training, and participation in vocational training programs. Federal law requires states to meet a work participation rate for adult TANF recipients. States not meeting the work participation rate may be subject to penalty. Another provision includes if a recipient refuses to engage in work and work activities, the family's grant is reduced by the recipient's share, and may terminate the grant if the Department of Social and Health Services (DSHS) determines it is appropriate.

Summary of Second Substitute Bill: If a recipient refuses to engage in work and work activities required by DSHS, after two months of continuous noncompliance, the family's grant must be reduced by the recipient's share or by 40 percent, whichever is greater. DSHS must terminate the grant after 12 months of continuous noncompliance. This provision

applies prospectively and not retroactively. If funding is not provided by June 30, 2020 in the supplemental omnibus appropriations act, this bill is null and void.

Appropriation: None.

Fiscal Note: Requested on January 31, 2020.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on May 1, 2021.

Staff Summary of Public Testimony on Original Bill (Human Services, Reentry & Rehabilitation): *The committee recommended a different version of the bill than what was heard.* PRO: There were many reductions to public assistance programs during the recession, no wonder so many more people are homeless. We need to create a stable environment for working families. The cutbacks during the recession saved the state money but created a lot of harm to families due to punitive policies. Those who met the 60-month time limit are the most in need. Also, there is disproportionality in how sanctions are applied. The provisions of this bill address these issues. Eliminating full family sanctions helps families get back on track. WorkFirst should support families instead of focusing on rigid compliance. Poverty has lasting consequences to brain development so we should provide more financial and social supports at the front end. In 2018 one-third of the families cut off TANF were homeless. You should not penalize children when the families need help. The second biggest risk factor for experiencing domestic violence is financial instability. While DV survivors can get an exemption, either they do not know or they are afraid to come forward. In Washington, only 7 percent of the caseload have disclosed DV which means there are a lot of survivors who rely on TANF without a time limit extension. It takes a long time to get safe and stable. Communities of color are disproportionately impacted by homelessness. It takes very little to fall into poverty, an increase in rent or child care can spiral a family into deep poverty. We need more resources to get families out of deep poverty. Federal law is designed so that a state gets as much credit for cutting a family off as meeting work participation rates. Under federal law 50 percent of families engage in work participation, but that target is reduced by caseload decline. The target for Washington is 2.4 percent, so we have enough space to expand our time limit extensions. Even with an increase in caseload or a recession, there are plenty of alternatives, we are not at risk of not meeting our work participation rates.

OTHER: The state is required to meet a work participation rate so if you exempt too many people from WorkFirst, the state could be at risk of noncompliance. This bill would allow 4 months of nonparticipation before sanction, but only three of those months can be excluded from the work participation rate.

Persons Testifying (Human Services, Reentry & Rehabilitation): PRO: Senator Joe Nguyen, Prime Sponsor; Marcy Bowers, Statewide Poverty Action Network; Christianna Clinton, citizen; Grete Schultz, Solid Ground; Sally Peach, Pediatrician, Washington Chapter of the American Academy of Pediatrics; Liz Scott, Center on Budget & Policy Priorities; Traci Underwood, Washington State Coalition Against Domestic Violence; Alex Hur, Statewide Poverty Action Network.

OTHER: Babs Roberts, Department of Social and Health Services, Economic Services Administration, Community Services Division.

Persons Signed In To Testify But Not Testifying (Human Services, Reentry & Rehabilitation): No one.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: Lawmakers have cut assistance programs like WorkFirst/TANF over the last decade, since the recession, and in the current budget. This bill will take a step toward restoring some of those cuts. Washington's WorkFirst/TANF serves as a lifeline to families and children who are struggling to meet their most basic needs. Harsh penalties and inflexible time limits imposed a decade ago have resulted in tens of thousands of families getting kicked off the program while facing homelessness, mental health challenges and other acute crises. This bill would take simple common sense steps to ensure that program penalties do not apply to children. Washington voters have said that homelessness is their number one priority, and enacting this bill could be the most important step that our state can take to protect families and children from homelessness and housing instability.

Persons Testifying (Ways & Means): PRO: Alex Hur, Statewide Poverty Action Network; Julie Watts, Washington State Budget and Policy Center.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.

EFFECT OF HOUSE AMENDMENT(S):

- Removes the provision requiring the Department of Social and Health Services (DSHS) to reduce a family's grant after two months, and to terminate a family's grant after 12 months of continuous noncompliance.
- Adds criteria by which DSHS must exempt a recipient from the 60-month lifetime limit for benefits and removes the existing definition of "homeless person" as it relates to time limit extensions.
- Requires 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 60-month limit and describe steps DSHS is taking to address and remedy any racial disproportionality.
- Removes the effective date of May 1, 2021, and adds an effective date of July 1, 2021, for time limit extension policy changes.
- Removes the provision specifying the Act applies prospectively only.
- Removes the null and void clause.