

HOUSE BILL REPORT

HB 1151

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

Title: An act relating to bolstering economic recovery by providing public assistance to households in need.

Brief Description: Bolstering economic recovery.

Sponsors: Representatives Leavitt, Shewmake, Peterson, Bronoske, Entenman, Stonier, Bateman, Chopp, Frame, Hackney, Callan, Pollet, Gregerson, Senn and Johnson, J..

Brief History:

Committee Activity:

Housing, Human Services & Veterans: 1/19/21, 1/26/21 [DPS];
Appropriations: 2/8/21, 2/9/21 [DPS(HHSV)].

Brief Summary of Substitute Bill

- Allows Consolidated Emergency Assistance to be provided more than once in a 12-month period when directed by the Governor.
- Provides a one-time cash benefit and transitional food assistance to certain qualifying households.
- Requires the Department of Social and Health Services to update the standards of need for cash assistance programs.

HOUSE COMMITTEE ON HOUSING, HUMAN SERVICES & VETERANS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Peterson, Chair; Taylor, Vice Chair; Caldier, Ranking Minority Member; Gilday, Assistant Ranking Minority Member; Barkis, Bateman, 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.

Staff: Dawn Eychaner (786-7135).

Background:

Consolidated Emergency Assistance.

The Consolidated Emergency Assistance Program (CEAP) provides emergency cash assistance to qualifying families with children. The CEAP benefits are limited to one time within any 12-month period and are intended to alleviate emergent conditions resulting from insufficient income and resources to provide for food, shelter, clothing, medical care, and other necessary items and services. Families must meet income requirements and be ineligible for other cash assistance programs in order to receive benefits.

During a state of emergency and pursuant to an order from the Governor, the Department of Social and Health Services (DSHS) may extend the CEAP to individuals and households without children. In February 2020, Governor Inslee issued Proclamation 20-05, declaring a statewide emergency in response to the novel coronavirus (. Subsequent gubernatorial proclamations, including Proclamation 20-63 et. seq., expanded eligibility for CEAP benefits to individuals and families without children. The DSHS created the Disaster Cash Assistance Program (DCAP) to expand the CEAP for this purpose and activated the DCAP in April 2020. The DCAP, and therefore expanded eligibility for households without children, ended in January 2021.

Cash and Food Assistance.

The Supplemental Nutrition Assistance Program (SNAP), also referred to as Basic Food, provides food benefits to eligible low-income households. A household is considered categorically eligible for Basic Food when all members of the household receive or are authorized to receive payments or services from certain programs, or the household income is at or below 200 percent of the federal poverty guidelines.

The Temporary Assistance for Needy Families (TANF) Program provides a cash benefit for qualifying low-income households with children. Families receiving TANF are categorically eligible for Basic Food. Most TANF recipients are time-limited to a lifetime maximum of 5 years of benefits. When a household reaches this 5-year time limit, the DSHS provides Transitional Food Assistance (TFA) to the family for 5 months.

Standards of Need.

The DSHS has established consolidated standards of need for certain cash assistance programs. The standards represent the amount of income required for a household to maintain a minimum and adequate standard of living. The standards are based on the household's size and include basic requirements for food, clothing, shelter, and other household costs. The standards are based on studies of living costs and are updated annually according to inflation. Cash assistance grant amounts cannot exceed the identified need standard. Current cash grant standards are lower than the standard of need.

The DSHS has the authority to adopt a separate standard for shelter provided at no cost. Prior to September 2020, separate need and payment standards were in place for households with shelter provided at no cost. In September 2020, the DSHS adopted rules repealing references to the separate standards and no longer issues reduced grants based on shelter being provided at no cost.

Summary of Substitute Bill:

Consolidated Emergency Assistance.

The CEAP benefits may be provided more than once within a 12-month period if established in an executive order by the Governor. This provision takes effect immediately upon enactment.

Cash and Food Assistance.

Households with children that are receiving food benefits, and are not simultaneously receiving TANF, are eligible to receive a one-time, state-funded cash benefit in the final month of eligibility when the household's food benefits terminate. Termination may be due to exceeding income limits or if the household voluntarily leaves the program. The amount of the cash benefit is determined by available funds appropriated for this purpose. Households that receive the cash benefit are also eligible to receive five months of TFA.

These provisions take effect July 1, 2022 and are null and void if specific funding for these purposes is not included in the omnibus Appropriations Act by June 30, 2021.

Standards of Need.

By July 1, 2022, the DSHS must use an existing, broadly used national standard and revise the study of living costs that the standards of need for cash assistance are based upon. Cell phone, Internet, and out-of-pocket costs for child care and health care are added to the household budget items that must be included in the study of living costs.

The statutory authority for the DSHS to adopt a separate standard for shelter provided at no cost is removed.

Substitute Bill Compared to Original Bill:

The substitute bill:

- adds an emergency clause with an immediate effective date for the provisions related to the CEAP; and
 - requires the one-time cash benefit for households whose eligibility for Basic Food is ending to be funded with state funds.
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Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for section 1, relating to Consolidated Emergency Assistance Program, which contains an emergency clause and takes effect immediately, and section 2, relating to transitional food and cash assistance, which takes effect on July 1, 2022. However, section 2 is null and void if not funded in the budget.

Staff Summary of Public Testimony:

(In support) Families are struggling with health and economic hardships due to COVID-19. One in five Washingtonians are facing food insecurity. Some families were struggling before the pandemic and COVID-19 has exacerbated their struggle. The CEAP helps families who can no longer receive TANF. Right now if a household is getting basic food but not TANF they fall off the benefits cliff. These policies will open the door to receiving federal assistance, bolster economic recovery, and provide an offramp for families while putting food on the table for families. The current one-time emergency assistance stipend is appreciated but families need more. Cash assistance is essential to families. Food assistance is important but what people do not often talk about is when they are rationing diapers for their babies or need to repair a car to get to work. Although they are important, cash assistance programs are insufficient. Disaster cash assistance was one of the only forms of assistance available for immigrants who were shut out of most other types of assistance available.

Washington's outdated needs measure is hurting families. Costs at a basic needs level are rising dramatically faster than inflation, which is the basis for increasing the current need standard. Estimating family budgets using inflation underestimates the costs a family has for their basic needs. A modern standard of need includes the cost of child care and should meet the actual costs that families face. Programs like TANF should help families meet their basic needs. The way the DSHS calculates benefits is not enough to cover the bills. If TANF covered basic needs, families would have more peace of mind. Modernizing the standard of need is a first step toward realizing the Poverty Reduction Work Group's needs. A small raise at work of even \$10 can be enough to end a family's food benefits with no notice. With transitional assistance families will have the chance to adjust to their new circumstances. The pandemic hunger experience in our state has truly disrupted hunger relief efforts. Hunger has become an unwelcome visitor in far too many households and community food distribution has been steadily increasing during the pandemic. Job loss has hit low to moderate income families the hardest, also known as ALICE families (Asset Limited Income Constrained), who work in hospitality, food service, and other areas. Food banks are overloaded and families are struggling to put food on the table. Twenty-nine percent of households are having trouble covering basic household expenses in our state.

The policies in this bill came largely from the work of the Poverty Reduction Work Group and the 10-year plan to reduce poverty. The DSHS supports an amendment that will support the state's ability to obtain federal funds for transitional food assistance. More than 18,000 Washingtonians have received emergency assistance since March 2020. Transitional support for families leaving food assistance gives them time to stabilize before they leave the basic food program.

(Opposed) None.

Persons Testifying: Representative Leavitt, prime sponsor; Babs Roberts, Department of Social and Health Services; Bob Cooper, National Association of Social Workers - Washington Chapter; Annie Kucklick, Self-Sufficiency Standard, University of Washington; Dante Pollard; Aaron Czyzewski, Food Lifeline; Kerry Cooley-Stroum, Catholic Community Services of Western Washington; Dona Ponepinto, United Way of Pierce County; and Claire Lane, Anti-Hunger and Nutrition Coalition.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Housing, Human Services & Veterans be substituted therefor and the substitute bill do pass. Signed by 31 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chopp, Cody, Dolan, Dye, Fitzgibbon, Frame, Hansen, Harris, Hoff, Jacobsen, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Steele, Stonier, Sullivan and Tharinger.

Minority Report: Without recommendation. Signed by 2 members: Representatives Stokesbary, Ranking Minority Member; Chandler.

Staff: Linda Merelle (786-7092).

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

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for section 1, relating to Consolidated Emergency

Assistance Program, which contains an emergency clause and takes effect immediately, and section 2, relating to transitional food and cash assistance, which takes effect on July 1, 2022. However, section 2 is null and void if not funded in the budget.

Staff Summary of Public Testimony:

(In support) Part of this bill addresses hunger. The program that provides a transitional food benefit builds an off-ramp for families that exit the Basic Food Program, instead of a cliff. Costs for basic needs are rising faster than inflation. The current standard of need does not include childcare and other costs. By updating the standard, real costs can accurately be defined. The expansion of economic security system programs reduces child poverty rates for Black and Latino households. The policies in this bill will help families who have experienced an economic downturn during this pandemic. These investments come at little cost. The importance of the cash assistance for low-income persons cannot be overstated. The cash provided pays for everyday life needs. The policies in this bill are important as the deep crisis that people have experienced is addressed. People are still suffering, and their needs are ongoing. This bill is smart economic policy.

(Opposed) None.

Persons Testifying: Bob Cooper, National Association of Social Workers-Washington Chapter; Annie Kucklick, Center for Women's Welfare, University of Washington School of Social Work; Christina Wong, Northwest Harvest; Claire Lane, Anti-Hunger and Nutrition Coalition; Nick Federici, Washington Low Income Housing Alliance and United Way of King County; and Babs Roberts and Ana Aylward, Department of Social and Health Services.

Persons Signed In To Testify But Not Testifying: None.