

SENATE BILL REPORT

2SSB 5214

As Amended by House, April 6, 2021

Title: An act relating to economic assistance programs.

Brief Description: Concerning economic assistance programs.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Nguyen, Dhingra, Darneille, Das, Frockt, Hasegawa, Hunt, Kuderer, Lias, Lovelett, Nobles, Robinson, Stanford and Wilson, C.).

Brief History:

Committee Activity: Human Services, Reentry & Rehabilitation: 1/26/21, 2/05/21 [DPS-WM, w/oRec].

Ways & Means: 2/16/21, 2/18/21 [DP2S, DNP, w/oRec].

Floor Activity: Passed Senate: 3/3/21, 29-19.

Passed House: 4/6/21, 85-13.

Brief Summary of Second Substitute Bill

- Provides that a person receiving a Temporary Assistance for Needy Families (TANF) grant in any month after March 2020 in which the state unemployment rate is at or above 7 percent is eligible for a hardship extension to the 60-month lifetime time limit for TANF grants, if the person is otherwise eligible for TANF except that they have exceeded 60 months.
- Applies the extension equal to the number of months that the person received a TANF grant during a month of unemployment at or above 7 percent, and must apply it sequentially following other hardship extensions that may apply.
- Applies the bill retroactively as of March 1, 2020, as well as prospectively.

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.

SENATE COMMITTEE ON HUMAN SERVICES, REENTRY & REHABILITATION

Majority Report: That Substitute Senate Bill No. 5214 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; Gildon, Ranking Member; Dozier, Saldaña and Wilson, C.

Minority Report: That it be referred without recommendation.

Signed by Senator McCune.

Staff: Alison Mendiola (786-7488)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5214 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Carlyle, Conway, Darneille, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Lias, Pedersen, Van De Wege and Wellman.

Minority Report: Do not pass.

Signed by Senators Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Schoesler, Assistant Ranking Member, Capital; Mullet, Muzzall, Rivers, Wagoner and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senator Braun.

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.

There is a federal life time limit of receiving TANF benefits for 60 months after July 27, 1997.

WorkFirst. WorkFirst is Washington State's TANF program which was initiated in 1997. The program has a number of requirements, many of which are federally required. For example, there is a federally imposed 60-month lifetime limit for receiving a cash grant TANF, unless the recipient qualifies for an exemption.

There are exceptions to the 60-month lifetime limit of receiving TANF benefits. Federal law limits hardship exemptions to 20 percent of the caseload. Current exemptions include:

- by reason of hardship, including when 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; and
- 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

Unemployment. The official unemployment rate is known as U3. It defines unemployed people as those who are willing and available to work, and who have actively sought work within the past four weeks. The U3 unemployment rate for December 2020 in Washington was 7.1 percent.

Summary of Second Substitute Bill: A person may qualify for a hardship extension to the 60-month lifetime limit on TANF benefits if they received a TANF cash grant during a month after March 1, 2020, when Washington's unemployment rate is at or above 7 percent. The extension is equal to the number of months that the person received a TANF grant during a month of high unemployment, and the extension must be applied sequentially to any other extensions that may apply.

The provisions of the act apply prospectively and retroactively to March 1, 2020.

Appropriation: None.

Fiscal Note: Available.

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 on Original Bill (Human Services, Reentry & Rehabilitation): *The committee recommended a different version of the bill than what was heard.* PRO: It is more important now more than ever to meet the needs of those in need. Restoring Great Recession policy cuts is crucial. The term "refusal to work" is poorly

worded as it includes scenarios where a parent is unable to find childcare, lacks adequate transportation and if you are just an hour short on your work requirements, you can be sanctioned. In 2020, 120,000-160,000 people were pushed into poverty, a disproportionate number were women and people of color, those who experience persistent racism and sexism. Communities of color are disproportionately impacted by COVID, by being a higher health risk, more likely to be an essential worker and impacted economically. Full family sanctions hurt children and disproportionately impact communities of color. Many recipients qualify for a domestic violence hardship exemption but either they do not know to ask for it or they are afraid to. The policies in this bill allow for greater flexibility. We really need to help kids get out of the cycle of poverty, the stress of poverty alone is very toxic to a child and the pandemic has only heightened these issues.

OTHER: Federal rule limits the state's ability to implement some of the provisions of this bill. If we do not meet our work participation rate, we could be sanctioned. Right now we are fine but in the future we may not be. The WorkFirst orientation provision needs to be clarified. There are challenges with the July 1, 2022, implementation date, would prefer 2022 but the eligibility piece can be effective in 2021.

Persons Testifying (Human Services, Reentry & Rehabilitation): PRO: Senator Joe Nguyen, Prime Sponsor; Jeff DeLuca, Washington State Community Action Partnership; Lianna Kressin, Statewide Poverty Action Network; Liz Olson, Washington State Budget & Policy Center; Amy Roark; Traci Underwood, Washington State Coalition Against Domestic Violence; Maya Manus, Urban League of Metropolitan Seattle; Thomas Long, MD, Washington Chapter of the American Academy of Pediatrics; Grete Shultz, Solid Ground; Kiernyn High, Byrd Barr Place.

OTHER: Babs Roberts, Department of Social and Health Services.

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

Staff Summary of Public Testimony on Second Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: The intent of this bill is to bolster families who are struggling to meet their basic needs. This bill would give families more time to recover from the current downturn. We hope that any work the committee does to the language of the bill will stay true to the intent. State policy makers made steep cuts to the Temporary Assistance for Needy Families (TANF) program after the Great Recession. The program has been reduced by over \$300 million in inflation adjusted dollars, even during a period of economic growth. Families getting back to work need the support of this program. There are concerns about the narrow approach of using a statewide unemployment rate that does not allow for differences in cost of living and regional economic disparities.

OTHER: This bill has a commendable goal, which is to provide access to resources for the

neediest citizens. However, the bill as written violates federal TANF rules, and the effective date presents an implementation challenge.

Persons Testifying (Ways & Means): PRO: Lianna Kressin, Statewide Poverty Action Network; Liz Olson, Washington State Budget & Policy Center.

OTHER: Babs Roberts, Department of Social and Health Services.

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

EFFECT OF HOUSE AMENDMENT(S):

- Removes the provision applying the act retroactively to March 1, 2020, as well as prospectively.
- Provides that a family is not required to be a current recipient to be eligible for the additional time allowed under the extension and that the additional benefits a family may receive will accrue after the effective date of the act.
- Applies a contingent effective date of July 1, 2023, only if funding for providing time limit extensions through the 2021-2023 biennium is included in the 2021-23 operating budget.