
**Human Services, Youth, & Early
Learning Committee**

HB 1447

Brief Description: Strengthening the ability of assistance programs to meet foundational needs of children, adults, and families.

Sponsors: Representatives Peterson, Gregerson, Berry, Taylor, Simmons, Ortiz-Self, Ryu, Reed, Kloba, Doglio, Ormsby, Thai, Fosse, Pollet, Macri, Alvarado and Leavitt.

Brief Summary of Bill

- Amends the definition of "resource" in the general definitions related to assistance program eligibility to exempt: (1) the entire value of one vehicle (rather than a value of up to \$10,000); (2) retirement funds, pension plans, and retirement accounts; and (3) all other resources up to a value of \$25,000 (rather than up to a value of \$6,000).
- Makes changes to the provisions relating to the standards of need for certain cash assistance programs to provide that benefits must be no less than 15 percent of need or the previous payment year's payment level, whichever is greater, capped at a 3 percent increase per fiscal year.
- Removes the 60-month time limit for the Temporary Assistance for Needy Families (TANF) program as it applies to child-only cases, and allows payments to continue past the 60 month time limit in other cases when termination or denial of assistance would result in the recipient's financial distress.
- Modifies the TANF income disregard provision to allow a family to earn and keep 100 percent of new earnings for up to six months, and to refer to the need standard, as opposed to the maximum earned income level as

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determined by agency rule, as the threshold beyond which a family is ineligible for TANF benefits.

- Adds TANF recipients who are experiencing a hardship, as defined in agency rule, to the list of those who qualify as having “good cause” for failure to participate in WorkFirst program components.

Hearing Date: 2/1/23

Staff: Omeara Harrington (786-7136).

Background:

Temporary Assistance for Needy Families and Related Programs.

The Temporary Assistance for Needy Families (TANF) program is a federally funded program that provides cash assistance to parents or caregivers with children and pregnant individuals to help meet foundational needs. Persons who are caring for a relative's child, are legal guardians, or who are acting in the place of a parent, are also able to apply for TANF benefits on behalf of these children. A "child-only" case is a TANF case in which no adult is included in the benefit calculation. To be eligible for TANF benefits, a person must meet certain income and resource limits and meet citizenship criteria.

The State Family Assistance (SFA) program provides state-funded cash assistance for legal immigrant families, students ages 19 to 20, and pregnant individuals who are ineligible to receive TANF benefits. The Refugee Cash Assistance (RCA) program provides up to 12 months of cash assistance for newly arrived single and married adults who are ineligible for TANF benefits.

WorkFirst. In general, adult TANF and SFA recipients must participate in one or more WorkFirst activities that are identified in the participant's individual responsibility plan. These activities may include paid and unpaid employment-based training programs, career development, community service, work skills assessment and job hunting training, and vocational training programs. WorkFirst participants may receive additional services such as child support collection, food assistance, and subsidized childcare.

If a TANF recipient refuses to engage in WorkFirst activities without good cause, the family's grant is reduced and must be terminated after 12 months of continuous noncompliance. Good cause reasons to not participate in WorkFirst activities include situations where the recipient is a parent or relative caring for a child who would need day care in order for the person to participate, and day care is unavailable, or is a parent of a child under age 2.

Time Limit Extensions. Federal rules limit the length of time an adult may receive TANF benefits to a cumulative total of five years. Time limit extensions (TLEs) may be offered to

families on the basis of hardship, as defined by the state, or in instances of family violence. States can extend federal TANF assistance beyond the five-year limit for up to 20 percent of the average monthly caseload.

The Department of Social and Health Services (DSHS) has adopted rules identifying who is eligible for a hardship TLE. Examples of hardship under the adopted rules include a person with severe and chronic disabilities, a person acting as a caregiver for a disabled child or adult, and a person experiencing homelessness, among others. The DSHS adopted emergency rules to expand the TLE criteria to apply to families experiencing hardships during the COVID-19 public health emergency. Until June 30, 2023, any active TANF recipient is eligible for a hardship TLE.

In addition, a recipient is able to receive a hardship TLE equal to the number of months that the recipient received TANF during a month after March 2020 in which the unemployment rate was higher than 7 percent. This extension is applied sequentially to any other applicable hardship extension. Since July 1, 2022, the DSHS has been required to approve a hardship TLE when the state unemployment rate most recently published by the Employment Security Department is 7 percent or higher.

Earned Income Disregard. In addition to their monthly payment, a family may earn and keep one half of its earnings during every month it is eligible to receive TANF benefits. Additionally, in calculating a household's gross earnings, the DSHS must disregard the earnings of a minor child who is a full-time student, or a part-time student carrying at least half the normal school load and working fewer than 35 hours per week. However, a family is ineligible for TANF benefits if its monthly gross earned income exceeds the maximum earned income level for household size as set by the DSHS. Currently, the maximum earned income level is \$834 for one person, and \$1,542 for a family of four.

Other Cash Assistance Programs.

The Aged, Blind, or Disabled (ABD) cash assistance program provides cash assistance, a referral to the Essential Needs and Housing (HEN) program, and help accessing federal disability benefits to eligible low-income adults who are age 65 or older, blind, or determined likely to meet federal Supplemental Security Income criteria.

The Pregnant Women Assistance (PWA) program provides cash assistance and a referral to the HEN program to pregnant individuals who are in need based on current income and resource standards for TANF, but are ineligible for a reason other than a failure to cooperate with TANF program rules.

The HEN program provides funding to local governments and homeless service providers to help individuals referred to the program with time-limited rent assistance, services connected to housing stability, and limited essential needs items, such as personal hygiene and transportation. Persons are eligible for a referral to the program when they are eligible for the PWA program or the ABD program or are incapacitated from gainful employment by reason of bodily or mental

infirmity that will likely continue for a minimum of 90 days, and meet certain citizenship and resource limitations.

In order to be eligible for ABD, PWA, or HEN benefits, a person must be ineligible for federal aid assistance, other than basic food benefits and medical assistance.

Standards of Need.

The DSHS is required to establish 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 studies on living costs and take into account household size and basic requirements for food, clothing, shelter, and other household costs, as well as out-of-pocket costs for child care and health care. The standards are updated annually according to inflation.

Cash assistance grant amounts cannot exceed the identified need standard. The percentage difference between the need and payment standard for an assistance unit is called the rateable reduction.

Resource Exemptions for Program Eligibility.

Certain resource limitations apply for purposes of determining eligibility for various cash assistance programs, such as the TANF, SFA, HEN, ABD, and PWA programs. A resource includes any asset owned by or available to the program applicant at the time of the application. An applicant may retain certain resources and not be ineligible for assistance because of having the resource. Exempt resources include, but are not limited to:

- a home that an applicant, recipient, or their dependents live in;
- household furnishings and personal effects;
- one motor vehicle, other than a motor home, used and useful, with a value of up to \$10,000;
- a motor vehicle necessary to transport a household member with a physical disability; and
- all other resources not to exceed \$6,000.

Summary of Bill:

The definition of "resource" in the general definitions related to assistance program eligibility is expanded to exempt: the entire value of one vehicle, rather than a vehicle up to a value of \$10,000; retirement funds, pension plans, and retirement accounts; and all other resources up to a value of \$25,000, rather than up to \$6,000.

Benefits under the Temporary Assistance for Needy Families (TANF) program, the Refugee Cash Assistance program, the Aged, Blind, or Disabled Program, and the Pregnant Women Assistance program must be no less than 15 percent of the standard of need or the previous payment year's payment level, whichever is greater, if rateable reductions or grant maximums are imposed. However, payment levels may not increase by more than a 3 percent increase per fiscal year.

The 60-month time limit for the TANF program is removed as it applies to child-only cases. In other cases, TANF payments may continue past the 60 month time limit when termination or denial of assistance would result in the recipient's financial distress.

A family receiving TANF benefits may earn and keep 100 percent of new earnings for up to six months before reverting to the current law policy of allowing the Department of Social and Health Services (DSHS) to disregard only one half of a family's earnings during each month of eligibility. A family is unable to receive TANF assistance if its monthly gross income exceeds the need standard, rather than the maximum earned income level as determined by the DSHS.

The list of those who qualify as having "good cause" for failure to participate in WorkFirst program components is expanded to include recipients of TANF benefits who are experiencing a hardship as defined in agency rule.

Appropriation: None.

Fiscal Note: Requested on January 27, 2023.

Effective Date: The bill contains multiple effective dates. Please see the bill.