

## Appendix 5 Welfare History Overview

### Federal Welfare Legislative History

**2009 The American Recovery and Reinvestment Act of 2009 (ARRA).** P.L. 111-5, is enacted on February 17, 2009. An economic stimulus bill designed to combat the current economic crisis, this bill provides funding under Title II, Assistance for Unemployed Workers and Struggling Families, in several key areas: (1) Supplemental Nutrition Assistance Program (SNAP) - provided a 13.6 percent increase in the maximum benefits (Basic Food). This equated to a \$24 increase for a one person household. (2) Unemployment Benefits - provides an extension of the Emergency Unemployment Compensation program through December 31, 2009. (3) Medical Assistance – provides an extension for TMA through December 31, 2010. (4) TANF – makes numerous changes to the TANF program by establishing a TANF Emergency Contingency Fund to provide additional funds to states that experience an increase in: (a) their TANF caseload and expenditures, (b) short-term non-recurring benefits, or (c) subsidized employment programs. States are eligible to receive 80% of the increase in expenditures between FFY 2007 or FFY 2008 (whichever is less) and FFY 2009. Funding will be made available for FFY 2009 and 2010 and will be limited 50% of the combined annual TANF awards for the 2 year period. Modifies the TANF carry-forward rules to allow states to carry forward unexpended TANF and emergency contingency funds to the next year without the requirement to spend them on assistance. Modifies the caseload reduction credit calculation to use FFY 2007 or 2008 or the prior year (whichever is most advantageous to the state). (5) SSI, SSA & RR Benefits – makes a onetime \$250 payment to recipients.

**2008 The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill),** P.L. 110-234, is enacted on May 22, 2008. The Farm Bill renamed the program as the “Supplemental Nutrition Assistance Program” (SNAP). The Food Stamp Act of 1977 is now the “Food and Nutrition Act of 2008”.

Key changes to program eligibility and benefit levels included increases in the Standard Deduction (from \$134 to \$144) and in the minimum benefit for one and two-person households to \$16. It also removed the cap on the dependent care deduction, excluded combat pay as income, excluded retirement and educational accounts as a resource and instituted annual resource limit adjustments to keep pace with inflation. It established state options to expand simplified reporting (to migrant/seasonal farm workers, homeless and elderly disabled households) and to provide transitional benefits for state-funded assistance programs. Last, it established new types of disqualifications for fraud.

Key administrative changes included a State option to allow telephonic signature, requires FNS to develop standards and establish state data collection and reporting requirements related to a state’s major changes in program design and set new federal match requirements for automated systems related to systemic errors, access and payment accuracy. It also made changes to the Food Stamp Employment & Training program (more time to expend allocations, added job retention services as an allowable employment and training activity and eased participation restrictions for volunteers). Last, States that have a nutrition education program must notify food stamp applicants and participants of the availability of nutrition education “to the maximum extent practicable”. DSHS contracts with WSU and the Department of Health to provide Nutrition Education services.

**2006 The Deficit Reduction Act (DRA) of 2005,** P. L. 109-171, is enacted on February 8, 2006. The TANF program is extended at the FY 2004 funding level through FY 2010. Makes appropriations and extends the National Random Sample Study of Child Welfare through FY 2010. Revises the formula for the caseload reduction credit with respect to work participation rates and includes families receiving assistance under separate state programs in the calculation of work participation rates. Directs the Secretary to promulgate regulations for determining whether activities may be counted as work activities, how to count and verify reported hours of work, and work-eligible individuals. Provides for a state penalty for failure to establish or comply with work participation verification procedures.

## Appendix 5 Welfare History Overview

Replaces incentive bonuses to states for a decrease in the illegitimacy rate with healthy marriage promotion and responsible fatherhood grants. Limits the use of funds for: (1) demonstration projects designed to test the effectiveness of tribal governments or consortia in coordinating the provision of child welfare services to tribal families at risk of child abuse or neglect; and (2) activities promoting responsible fatherhood. Makes appropriations for FY2006-FY2010.

Child Care - Makes appropriations for FY2006-FY2010 for entitlement grants to states for child care.

Child Support - Modifies the rule requiring assignment of support rights as a condition of receiving TANF. Revises requirements for the distribution of arrearages with respect to families that formerly received TANF. Declares that states shall not be required to pay the federal government the federal share of amounts collected on behalf of a family: (1) that formerly received TANF, to the extent that the state pays (passes through) the amount to the family; or (2) that currently receives assistance, to the extent of a certain portion passed through to the family. Revises requirements for use of the tax refund intercept program to collect past-due child support on behalf of children who are not minors. Reduces from \$5,000 to \$2,500 the amount of a child support arrearage triggering referral for passport denial of the parent responsible for the arrearage. Requires that all child support orders include a provision for medical support for children to be provided by either or both parents, and be enforced. Provides for a mandatory annual fee of \$25 for each case of successful child support collection for a family that has never received TANF, if the state collects more than \$500.

**2004 Social Security Protection Act of 2004**, P.L. 108-203, is enacted on March 2, 2004 providing for a temporary extension to Supplemental Security Income (SSI) claimants of the system under which the Social Security Administration withholds past-due Social Security Disability Insurance benefits to pay claimants' attorney fees. This change affects how the department receives and processes the reimbursement of interim assistance, that is, General Assistance or other state funds-only benefits paid to or on behalf of SSI claimants.

**2002 Farm Security and Rural Investment Act of 2002**, P. L. 107-171, is enacted on May 13 making changes to the **Food Stamp Program** and providing program funding through fiscal year 2007. **Title IV: Nutrition Programs - Food Stamp Reauthorization Act of 2002 - Subtitle A: Food Stamp Program** - Amends the **Food Stamp Act of 1977** to exclude from income for food stamp program purposes: (1) legally-obligated child support payments made by a household member on behalf of a person not a member of such household—states can continue to provide a child support deduction, rather than this exclusion—this deduction must be determined before computing the excess shelter expense deduction; and (2) income for program purposes deferred educational and veterans' educational assistance, State complementary assistance payments, and certain medical assistance not included as income under specified provisions of titles IV and XIX of the Social Security Act.

Revises and increases the standard deduction by tying it to the Federal poverty income guideline, according to household size and indexed for inflation. Authorizes states to give a homeless household with some shelter expenses a \$143 monthly deduction rather than an excess shelter expense deduction. Also revises: (1) utility allowances; (2) eligibility certification provisions; and (3) quality control provisions.

Requires states with a program website to make on-line applications available in each language in which printed applications are available; reduces household reporting requirements; and provides high performance bonus payments beginning in FY 2003 to the six States with the highest or most improved performance. States are authorized to provide up to five months of transitional program benefits to households moving from the temporary assistance for needy families program (TANF). Employment and training program funding

## Appendix 5 Welfare History Overview

allocations are extended through FY 2006 and allocates additional FY 2002 through 2006 amounts to States that ensure availability of specified work opportunities.

Repeals: (1) the 80 percent set-aside for able-bodied adults without dependents; (2) the maintenance-of-effort requirement to access new unmatched funds; and (3) the limits on the amount States are reimbursed for each work slot offered. Increases from \$25 to \$50 the monthly cap on the amount States may reimburse participants for transportation and other work expenses for FY 2002 through 2009.

Amends the **Personal Responsibility and Work Opportunity Reconciliation Act of 1996** to make all legal immigrant children, regardless of U.S. entry date, eligible for the supplemental security income (SSI) and food stamp programs, beginning in FY 2004. Also makes: (1) qualified aliens who have resided in the U.S. for 5 years, and (2) blind or disabled aliens who lawfully reside in the U.S. and receive disability cash or medical benefits, eligible for food stamps.

- 1997** **Balanced Budget Act (BBA) of 1997**, P. L. 105-33, is enacted on August 5 making changes and implementing numerous technical corrections to the **Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996**, P.L. 104-193. The BBA: (1) establishes the Welfare-to-Work Block Grant; (2) limits the amount of TANF funds that can be transferred to Title XX – Social Services Block Grant (SSBG) to 10% of the TANF block grant and removes the requirement to transfer \$2 to the Child Care & Development Block Grant (CCDBG) for every \$1 transferred to the SSBG; (3) increases from 20% to 30% of individuals in all families (and in 2-parent families) the limitation on the number of persons who may be treated as engaged in work by reason of participation in a vocational education program, or (for teen heads of households) maintenance of satisfactory school attendance; and (4) extends from 5 to 7 years the refugee/asylee eligibility period for SSI/Medicaid eligibility, includes Cuban and Haitian entrants in this category, and provides a 5-year food stamp eligibility for these aliens. Technical corrections: (1) revises computation method for out-of-wedlock reduction bonuses; (2) modifies the MOE requirements for the Contingency Fund; (3) revises work requirements so that a family with a disabled parent is not treated as a 2-parent family, allows the minimum work requirement for a 2-parent family to be shared between both parents with a 55 hour per week minimum, caretaker of a child under age 6 meets work requirements if working 20 hours per work, and allows 12 weeks of job search to count as work during any period a state meets the contingency fund definition of “needy state”; (4) TANF penalties are modified so that the penalty amount is now 5% in the first year, and increasing by 2% per year up to 21% maximum; and (5) the drug felon disqualification rule is modified to apply to convictions for conduct that occurred after 8/22/96.
- 1996** **Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996**, P.L. 104-193, is signed into law on August 22 giving states choices in how to structure their welfare programs. Federal funding is provided in the form of the **Temporary Assistance to Needy Families (TANF)** block grant, and is fixed at the same level for five years. TANF replaces the Aid to Families with Dependent Children (AFDC) program and ends the entitlement status of welfare benefits. PRWORA provides new federal child care funds, reauthorizes the Child Care and Development Block Grant (CCDBG), and requires these combined funds to be administered as a unified program under the **Child Care and Development Fund (CCDF)**. PRWORA also allows states to transfer up to 30% of the TANF block grant into the CCDBG and the Title XX – Social Services Block Grant (SSBG), but limits the amount transferable to SSBG to 10% of the TANF block grant and requires that \$2 be transferred to the CCDBG for every \$1 transferred to the SSBG. In this first major overhaul of welfare in 60 years, welfare receipt is limited to 5 years. The law contains strong work requirements and penalties for states that fail to meet them, i.e., 5% of the TANF grant for failure to meet work participation rates with the amount increasing in subsequent years by up to an additional 2% up to a limit of 21%. In addition, there is a performance bonus to reward states for moving welfare recipients into jobs, state maintenance of effort requirements, comprehensive child support enforcement requirements, and supports for families moving

## Appendix 5 Welfare History Overview

from welfare to work, including at least one year of transitional Medicaid when a family leaves welfare for work.

- 1990 Omnibus Budget Reconciliation Act (OBRA) of 1990**, P.L. 101-508, is enacted on November 5. Children are not considered members of AFDC assistance units when determining eligibility for AFDC benefits, and their income and resources are not counted toward family income and resource limits when they are recipients of Title IV-E, state, or local: (1) foster care maintenance payments or a combination of these types of payments; or, (2) adoption support payments or a combination of these types of payments, and the inclusion of the adopted child in the assistance unit would result in lower benefits for the family. Earned Income Tax Credit (EITC) is considered an exempt resource during the month of receipt and the following month by the AFDC and GA-U Programs. Any EITC remaining in the second month following the month of receipt applies towards the Resource Ceiling. States have the option of specifying which categories of families must report monthly and which method of income budgeting to use (prospective or retrospective budgeting). Excludes the income and resources of a child receiving State or local foster care maintenance payments from eligibility or payment determinations for AFDC. Amends the AFDC program to provide child care to low-income families not receiving AFDC benefits when the state determines there is a need for care in order to work and the family is at risk of becoming dependent upon the AFDC program.
- 1989 Omnibus Budget Reconciliation Act (OBRA) of 1989**, P.L. 101-239, becomes law on December 19 and amends the **Child Support Enforcement Amendments of 1984**, P.L. 98-378, to permanently extend the provision to continue a family's Medicaid (Title XIX) eligibility when the family becomes ineligible for AFDC due to the collection or increased collection of child support under Part D of Title IV (Child Support and Establishment of Paternity) of the Social Security Act. Establishes a new AFDC quality control system which imposes penalties on states based upon a sliding scale which reflects the degree to which a state's AFDC error rate exceeds the national average. Also takes into account overpayments and underpayments in determining error rates and establishes a Quality Control Review Panel for dispute resolution between states and the Federal government.
- 1988 Family Support Act (FSA) of 1988**, P.L. 100-485, is enacted on October 13 and targets services for those most likely to become long-term welfare recipients. The act creates the **Job Opportunities and Basic Skills (JOBS)** program, which focuses on education and training, and provides child care and medical assistance to recipients for 12 months after they leave AFDC with employment. Makes changes to the 6-out-of-13 work quarter requirement for AFDC-E and to the "principal wage earner" criteria. Increases the child care disregard to \$175 per child/per month (\$200 for a child under age 2), the work expense disregard to \$90, and disregards EITC. Establishes state option to require that unmarried minor parents must live with a parent, legal guardian or other adult relative, or in an adult-supervised living arrangement to be eligible for AFDC. States must now revise their need and payment standards every 3 years and may create wage supplementation and community work experience programs. Strengthens child support enforcement collection activities, including changes to the \$50 pass-through payment rules and mandatory wage-withholding. Establishes paternity establishment performance standards for states and mandates annual reports to Congress.
- 1986 Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985**, P.L. 99-272, enacted on April 7, formally establishes the two-parent AFDC-Employable (AFDC-E) program which was previously known as AFDC-Unemployed Father. Provides that certain education or training programs may qualify as quarters of work for AFDC eligibility purposes.
- 1984 Deficit Reduction Act (DEFRA) of 1984**, P.L. 98-369, enacted on July 18, institutes significant changes to the AFDC program. The 185% of Need eligibility test is created, the \$75 work expense deduction is applied to both full- and part-time employment, the \$30 + 1/3 earned income disregard is limited to 4 months followed by a \$30 disregard for 8 months, and the term "earned income" is defined to mean gross income before

## Appendix 5 Welfare History Overview

deductions. Burial plots, funeral arrangements, and real property which a family is making a good faith effort to sell are excluded as resources. Retrospective budgeting is made mandatory for monthly reporting households but optional for other cases, monthly reporting is made mandatory for families with a recent work history or earned income, EITC is declared to be an excluded income, and women in the third trimester of pregnancy are excluded from participation in the WIN program. Lump sum income ineligibility rules are changed to allow recalculation of the period of ineligibility when an event occurs that would have changed the family's need for that month, the money becomes unavailable, or the family incurs medical expenses which offset the lump sum. Overpayment recovery is waived when the debt is exceeded by the cost of recovery, aliens become ineligible for 3 years when their sponsor is a public or private agency, and information disclosure to law enforcement is permitted when the AFDC recipient is a fugitive felon. Establishes the \$50 child support pass-through payment and the exclusion of the earned income of a full-time child for 6 months for purposes of the AFDC gross income test.

**Child Support Enforcement Amendments of 1984**, P.L. 98-378, signed into law on August 16, provides 4 months of continued Medicaid eligibility for families that lose AFDC eligibility because of the collection or increased collection of child support.

**1983 Social Security Amendments of 1983**, P.L. 98-21, becomes law on April 20 and amends Title IV to exclude from the definition of "income," any support or maintenance assistance furnished to a family based on need, including home energy assistance.

**Supplemental Appropriations Act, 1984**, P.L. 98-181, becomes law on November 30 and declares that utility payments made by persons living in federally-assisted low-income housing projects are to be considered rental payments for purposes of determining eligibility and payment amount under the AFDC program.

**1982 Job Training Partnership Act (JTPA)**, P.L. 97-300, enacted on October 13 and establishes participation targets for AFDC recipients, ages 16 and older, in Adult and Youth programs and provides earnings disregards for child participants.

**Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982**, P.L. 97-248, is enacted on September 3 and amends AFDC eligibility to allow rounding benefits down to the next lower whole dollar, eliminate payment of benefits for a whole month when eligibility is determined later in the month, and not consider a parent absent from the home due to active duty in a uniformed service. States are now allowed to require employment search as an eligibility criteria and may prorate need and payment standards for children living with other non-applying individuals.

**1981 Omnibus Budget Reconciliation Act (OBRA) of 1981**, P.L. 97-35, is signed into law on August 13 and allows welfare-to-work demonstration projects to begin in many states. States may require welfare recipients to go into training, job search, or unpaid work experience in exchange for their AFDC grants. Revises method for determining earned income by changing the order in which the work expense, child care, and \$30 & 1/3 disregards are applied in order to maximize the amount of countable income to be deducted from the grant. Eliminates payments for work-related child care expenses and implements a new child care expense deduction to be deducted from earned income. The \$30 & 1/3 earned income disregard is restricted to 4 months and the recipient must be off AFDC for 12 months before being eligible to receive the disregard again. Prohibits grant payments below \$10, institutes the "principal wage earner" concept for eligibility determinations thereby replacing references to "mother" and "father" in compliance with *Westcott v. Califano*. Permits AFDC payments to a pregnant woman (with no other eligible child) during her last month of pregnancy or within the following three-month period if the child would be eligible for AFDC. Now determines monthly eligibility based upon the resources at hand during the month and the monthly benefit amount based upon the income and resources of the prior month.

## Appendix 5 Welfare History Overview

- 1979** **U.S. Supreme Court Decision *Westcott v. Califano*** rules in June that Section 407 of the Social Security Act regarding unemployed fathers is unconstitutional because of the discriminatory nature of the gender distinction. The court extends benefits of the AFDC-Unemployed Father program to similarly situated unemployed mothers, thereby removing the gender distinction.
- 1970** **Federal regulations** require states to guard against payments to ineligible welfare applicants. States must monitor their active AFDC caseloads, compute errors made in determining eligibility, and pay penalties for high error rates.
- 1967** **Amendments to the Social Security Act** establishes the **Work Incentive Program (WIN)**, which adds employment services to AFDC, and directs states to emphasize work rather than welfare.
- 1963** **Medicaid** and **Food Stamp** programs are created; AFDC recipients are automatically eligible for both programs.
- 1961** **Amendments to the Social Security Act** lead to a new emphasis on social services. Families with two parents can now receive AFDC based upon the unemployment of the father (AFDC-Unemployed Father). Welfare caseloads begin to grow, for both one- and two-parent families.
- 1935** The **Aid to Dependent Children (ADC)** program (later known as **Aid to Families with Dependent Children** or **AFDC**) is created as part of Social Security Act. AFDC supports poor children whose parents are dead, absent, or incapacitated.

## Appendix 5 Welfare History Overview

### Washington State Legislative History

**2010 Substitute House Bill (SHB) 2684** is enacted to establish an opportunity employment and education center within the Seattle Community College District, which will house various educational and social services providers in order to integrate access to benefit programs and services. The bill also requires the State Board for Community and Technical Colleges (SBCTC) to make recommendations on the location of an additional center by December 1, 2010. The center must provide services including Basic Food; TANF and WorkFirst; general assistance; and SSI facilitation. This bill became effective June 10, 2010.

**Engrossed Second Substitute House Bill (E2SHB) 2782** is enacted containing three distinct provisions: (1) Requires the creation of an "Opportunity Portal," a web-based universal application / benefit portal that is designed to make it easier for low-income families and individuals to apply for and access a broad array of services and benefits. Creation of the "Opportunity Portal" is contingent upon the state securing private funding by December 2010. (2) Requires the expansion of the Basic Food Employment and Training program to three additional community colleges or community-based locations and increased capacity at existing locations, subject to federal approval. Recipients of Basic Food, unless exempt, are required to participate in the program which included job search workshops and assistance with job placement. (3) Requires the Department to end the General Assistance program and create the Disability Lifeline program. Major changes to the program include a new name; implementing time limits of 24 months out of 60 months, effective September 1, 2010 through June 13, 2013; creating a housing voucher program that will be administered by the Department of Commerce; requiring the development and use of a new assessment tool which must be used to determine whether Division of Vocational Rehabilitation programs could assist Disability Lifeline recipients in returning to work; requiring the department as part of the application process to ask the applicant if they ever served in the in the US military and if so, the department must confer with the state or federal Department of Veterans Affairs to determine whether the applicant is eligible for any benefits or programs offered to veterans; and requiring the department to contract with a managed health care system or other qualified entity to operate a project aimed at screening and quickly transitioning individuals with a disability who are likely to qualify for federal disability benefits into the Disability Lifeline Expedited Program, now known as GA-X. The pilot is to begin in King, Pierce and Spokane counties by July 1, 2010 and be expanded statewide by October 1, 2011. This bill became effective March 29, 2010

**Engrossed Second Substitute House Bill (E2SHB) 3141** is enacted requiring a 12 month child care authorization period for children in the Working Connections Child Care program who are enrolled in the Early Childhood Education and Assistance Program (ECEAP), Head Start, and Early Head Start. The change is effective July 1, 2010. The Governor vetoed other sections of the bill, including the section requiring a proposal for implementing three pathways for WorkFirst, Washington's TANF program, which focused on employment, education and training and disability support. With the signing of the bill, the Governor directed the WorkFirst Subcabinet to develop a redesign plan for WorkFirst that meets the needs of WorkFirst families to obtain employment and achieve family self-sufficiency. The target date for completing the TANF Redesign plan is December 2010. This bill became effective June 10, 2010.

**Substitute House Bill (SHB) 3016** is enacted to clarify certain sections of the Revised Code of Washington (RCW) dealing with modification of child support orders to provide that the department is required by federal law to review and modify child support orders regardless of whether the family receives public assistance and is already authorized to do so in other sections of the RCW, but is now specifically authorized to take such actions in these sections. In addition, the bill allows for telephonic appearances by parties to an action to modify or adjust a child support order. This bill became effective June 10, 2010.

## Appendix 5 Welfare History Overview

**Second Substitute House Bill (2SHB) 2603** is enacted requiring a state agency to furnish a small business with a copy of any state statute or rule that it has failed to follow before the agency can impose a fine, civil penalty, or administrative penalty for noncompliance. This bill required the department to revise its forms used for noncompliance actions in order to provide small businesses with copies of the state statutes for which it may impose penalties for noncompliance. This bill became effective June 10, 2010.

**2009 House Bill (HB) 1270** is enacted allowing DSHS and HCA to adopt electronic signatures for online applications for benefits. This provision became effective July 26, 2009.

**Substitute Senate Bill (SSB) 6024** is enacted which eliminates the 45-day processing timeframe for General Assistance applications filed by a person confined in a correctional facility or institution. The provision became effective November 1, 2009.

**Substitute House Bill (SHB) 2071** allows the department to continue to decide whether education and training (including higher education) for a WorkFirst recipient is appropriate. Encourages the department to make more use of education and training opportunities, but refers to moving the recipient into full-time WorkFirst activities as quickly as possible; giving the department the latitude to make the decision on what would be the best activity for the recipient. Requires DSHS to describe services available to the recipient either during or after WorkFirst to enable the recipient to not only obtain and keep employment, but advance in the workplace and increase wage earning potential over time. This bill became effective July 26, 2009.

**Engrossed Substitute House Bill (ESHB) 1244**, the operating budget requires the department to make the following changes: (1) in regions with high numbers of GA-U clients, coordination with local workforce development councils to expedite access to worker retraining programs; (2) identify GA-U clients who would be eligible for federal disability benefits if they become a naturalized citizen, and give them priority to naturalization services funded through the Department; (3) work with the Washington State Department of Veterans' Affairs (DVA) to develop a process for referring GA-U clients who may be eligible for veteran's services; (4) outstation DVA staff in selected Community Services Offices in King and Pierce counties to facilitate applications for veteran's services; (5) intensively evaluate persons who have received GA-U for more than 12 months. For those with an impairment that would not qualify for federal disability benefits, expedite referrals to services that can eliminate or minimize barriers to employment, like mental health treatment, substance abuse treatment, and vocational rehabilitation services that are available through the Division of Vocational Rehabilitation; (6) implement 50% earned income disregard for GA – same as TANF; and (7) ten additional SSI Facilitators.

**2008 Engrossed Substitute House Bill (ESHB) 2687**, the operating budget, is enacted effective July 1, 2008. Section 207 of the budget: (1) provides a 3% grant increase to TANF/CEAP households for increased housing costs; (2) increases the gross income limit for Basic Food eligibility to 200% FPL; and (3) provides five additional SSI Facilitators for the General Assistance program.

**Senate Bill (SB) 6950** provides a limited waiver or suspension of statutory obligations during officially declared emergencies. Section 201 expands eligibility for Consolidated Emergency Assistance Program (CEAP) benefits to individuals without children during a Governor-declared state of emergency. Provides the foundation for the Disaster Cash Assistance Program.

**2007 Substitute Senate Bill (SSB) 5244** is enacted authorizing statutory changes needed to implement child support provisions of the federal Deficit Reduction Act of 2005. These include limiting child support assignment to the months that the family received TANF and "pass through" to the family of up to \$100 per month for one child and \$200 per month for two or more children – "pass through" must be



## Appendix 5 Welfare History Overview

disregarded as income for the TANF program. Both these provisions become effective October 1, 2008. The bill also requires DSHS to pursue enforcement of medical support against either or both parents.

**Second Substitute Senate Bill (2SSB) 6016** is enacted allowing a parent to be exempt from WorkFirst participation requirements while a child is under 12 months old but limiting the exemption to 12 months in the parent's lifetime (the federal limit). The bill allows DSHS to require the parent to participate in part-time mental health, alcohol or drug treatment, domestic violence services, or parenting education or skills training during the exemption period if indicated by an assessment. Parenting skills training may include voluntary home visitation services if available.

**Substitute Senate Bill (SSB) 5830** directs DSHS to work with the Washington Council for the Prevention of Child Abuse and Neglect (WCPCAN), Department of Health, Department of Early Learning, and Family Policy Council to coordinate or consolidate home visitation services for children and families. These services must address risk-factors for child abuse and neglect and poor education outcomes for children, including family poverty and lack of parental education and job skills.

**Second Substitute House Bill (2SHB) 1088** requires DSHS to collaborate with county juvenile court administrators and the Juvenile Rehabilitation Administration to conduct expedited medical determinations and restore medical assistance on release for youth confined in a JRA or county-run juvenile detention facility. Youth to be served are any who received medical assistance prior to entering the institution or detention facility or who are "likely to be eligible upon release."

**Second Substitute House Bill (2SHB) 1201** provides Medicaid coverage to individuals between the ages of 18 and 21 who age out of foster care or an out-of-home placement at age 18. Requires DSHS to help youth approaching age 21 apply for the Basic Health Plan.

**Substitute Senate Bill (SSB) 5093** is enacted as part of the Governor's plan for all children in Washington State to have health care coverage by 2010 and to improve access. Requires DSHS to: simplify and streamline application and review processes to avoid breaks in coverage; expand coverage to include children in families at higher income levels and to cover children not eligible for Medicaid; charge premiums or make unsubsidized coverage available to children in higher income families; participate with the Department of Early Learning, Department of Health, local public schools and others, in education and outreach efforts; and develop a feasibility study and implementation plan for an online medical assistance application integrated with the Automated Client Eligibility System (ACES). Allows DSHS to freeze enrollment for non-Medicaid-eligible children and for children in higher income families. The SFY 2008 budget provides ESA with funding for increased workload and to out-station eligibility workers in support of outreach efforts.

**Pathway to Engagement Budget Proviso** requires DSHS to collaborate with community partners and represented staff to identify additional services for WorkFirst parents in sanction status and families whose WorkFirst cash benefits have ended as a result of a non-compliance sanction. Services must be complementary to services already provided by DSHS, voluntary for parents, and delivered through performance-based contracts with community-based organizations.

**WorkFirst Career Services Budget Proviso** authorizes DSHS to establish a post-TANF work transition program.

**2006 Engrossed Second Substitute House Bill (E2SHB) 1290** is enacted requiring expedited eligibility determinations and timely access to medical assistance for persons with mental disorders being released from confinement. Additionally, it required collaboration with the Washington Association of Sheriffs and Police Chiefs (WASPC), the Department of Corrections (DOC), and the Social Security Administration (SSA) to

## Appendix 5 Welfare History Overview

develop processes and procedures for coordination. DSHS was directed to phase in the new procedures on a statewide basis and continue to evaluate funding needs as the program is implemented.

**Substitute House Bill (SHB) 2394** is enacted which requires the Department of Social and Health Services to start assessing WorkFirst parents for financial literacy during the comprehensive evaluation effective January 1, 2007. The Bill directs DSHS to offer referrals to financial literacy services available in the local communities to all WorkFirst parents to assist them in becoming self-sufficient and financially stable.

**Medicaid Treatment Child Care (MTCC) Budget Proviso** requires DSHS to contract for MTCC services and authorize care for eligible children referred by TANF caseworkers and public health nurses.

**2005 Engrossed Second Substitute Senate Bill 5213** is enacted exercising the state option to exempt individuals convicted of a drug-related felony from the Temporary Assistance for Needy Families (TANF) ban on receipt of benefits. The statutorily mandated effective date is September 1, 2005.

**2004 Senate Bill 6411** requires the Department to implement simplified reporting for the Basic Food program beginning October 2004. In addition, Basic Food eligibility restrictions for persons convicted of a drug-related felony are removed effective July 2004. The restriction prohibiting fleeing felons from receiving Basic Food still applies.

**2003 Substitute House Bill (SHB) 1624** is signed into law on May 7 permanently authorizing the Washington Telephone Assistance Program (WTAP) which was scheduled to expire on June 30. In addition to permanently authorizing the WTAP program, effective July 1 the program is expanded to include Community Service Voice Mail (CSVM) as a component. DSHS is directed to enter into an agreement with the Department of Community, Trade and Economic Development to provide a portion of the WTAP budget for operation of CSVM which will provide homeless individuals with a community service voice mail box.

**1999 WorkFirst Study - 3000 Washington Families** begins. The 5-year longitudinal study is based on a sample of 3,000 WorkFirst clients, and is conducted by the Employment Security Department, University of Washington, and Washington State University.

**1997 Engrossed House Bill (EHB) 3901, the Washington WorkFirst Temporary Assistance for Needy Families Act (TANF)**, is signed into law on April 17. It establishes the **WorkFirst** program in Washington State and replaces the Aid to Families with Dependent Children (AFDC) program. The Success Through Employment Program (STEP) Waiver 48 of 60-Month Time Limit is repealed and replaced with a five-year lifetime limit for cash assistance. The earned income exemption is increased to 50% of gross wages, overpayments due to retrospective budgeting are eliminated, and the 100% of Need test is eliminated. The vehicle equity limit is raised to \$5,000, a vehicle used to transport a disabled individual is totally exempt, and savings accounts up to \$3,000 are allowed. Pregnant teen and teen parent requirements for education go into effect. Diversion services as an alternative to cash assistance are implemented. DCS non-cooperation sanction is replaced with a 25% grant reduction and eligibility review cycles are extended from six to twelve months.

**1995** As required by E2SHB 2798, **Success Through Employment Program (STEP)** waiver application submitted to Department of Health and Human Services (DHHS) on January 30. Proposed project start date is July 1, 1995, end date is June 30, 2005, and project area is statewide. Waiver requests permission to establish length of stay grant reductions and elimination of the 100-hour rule.

**1994 Engrossed Second Substitute House Bill (E2SHB) 2798, Welfare System Reform**, is enacted on April 2 and addresses the issues of lengthy stays on welfare, lack of access to vocational education and training,

## Appendix 5 Welfare History Overview

inadequate emphasis on employment by the social welfare system, and teen pregnancy as obstacles to achieving economic independence. DSHS is instructed to: (1) reduce AFDC grants by 10 percent per year for some families that received welfare for 48 out of 60 months; (2) waive the 100-hour rule for AFDC recipients; (3) train staff to emphasize the expectation that recipients will enter employment; and (4) determine the most appropriate living situation for unmarried pregnant teens who receive public assistance. Target populations include applicants and recipients who have received AFDC for 36 of the preceding 60 months, custodial parents under the age of 24 who have not completed high school or who have little or no work experience, and families in which the youngest child is within 2 years of being ineligible for AFDC because of age. The department must seek approval from the Department of Health and Human Services (DHHS) for implementation of the time limit provisions, waiver of the 100-hour rule for recipients, and statewide implementation (known as the STEP Waiver). The Employment Partnership Program (EPP) is modified to allow contracting out to public or private nonprofit organizations. In addition, authority to establish wage subsidy projects to enable AFDC grants to be paid as wage subsidies is moved from the Employment Security Department to DSHS. Establishes authority for a child's irrevocable trust account, with a limit of \$4,000, for future educational use. DSHS is directed to actively develop mechanisms to refer disabled persons currently receiving AFDC to the federal Supplemental Security Income (SSI) program.

- 1993** **House Bill (HB) 1197** instructs DSHS to: (1) "segment" the AFDC population; (2) match services to the needs of each segment; (3) focus AFDC on employment; and (4) seek federal waivers that allow families to keep more of their earnings from employment while receiving AFDC.

The Urban Institute's final evaluation of the **Family Independence Program (FIP)** found that participants worked *less*, stayed on welfare *longer*, and returned to welfare *sooner* than AFDC participants. However, the evaluation found that providing cash rather than Food Stamps saved state administrative costs without apparently increasing risk to nutrition.

- 1990** Washington implements the federal **Family Support Act of 1988**, P.L. 100-485, establishing the **Job Opportunities and Basic Skills (JOBS)** program. Participation is voluntary for welfare recipients.

- 1987** **Family Independence Program (FIP)**, a 5-year welfare reform demonstration, begins. FIP provides: (1) financial incentives to obtain education, training, and employment; (2) cash rather than Food Stamps; (3) social services during FIP participation; and (4) childcare and medical coupons for 12 months after exiting, if the recipient leaves FIP with employment. The Urban Institute of Washington D.C. is hired as the outside evaluator of the FIP demonstration.

**Family Income Study begins.** The 5-year longitudinal study is based on a sample of 2000 AFDC clients and low-income families, and is conducted by the Washington State Institute for Public Policy and Washington State University.