

REPORT TO THE LEGISLATURE

**Federal Assistance Options for Washington College Grant Recipients
Chapter 407, Laws of 2019 (2SHB 1893)**

As Required by RCW 43.20A.760

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EXECUTIVE SUMMARY

Purpose of Report

Second Substitute House Bill 1893, passed in the 2019 legislative session, directs the Department of Social and Health Services to submit a report to the legislature identifying options to confer categorical eligibility (CE) for Supplemental Nutrition Assistance Program (SNAP) by using Temporary Assistance for Needy Families (TANF) federal or state maintenance of effort (MOE) dollars for students who receive the Washington College Grant (WCG), formerly the State Need Grant.

The purpose of this report is to satisfy the requirements of [RCW 43.20A.760](#) and inform the legislature of options identified, in collaboration with the State Board of Community and Technical Colleges (SBCTC) and the Washington Student Achievement Council (WSAC), to confer categorical eligibility for students who receive state need grants thereby expanding SNAP access for post-secondary students.

CONSIDERATIONS

Categorical Eligibility and Exemption from Student Requirements

Categorical eligibility (CE) under SNAP eliminates income and resource requirements for households with countable income up to 200% of the federal poverty guidelines, as these households are eligible to receive referral services partially funded with TANF and TANF MOE funds. With Broad-Based Categorical Eligibility (BBCE) available, this option already exists for students through use of the Washington Connection website developed as a centralized online access point to services such as applications and reviews for cash, food, medical and child care services. However, CE eligible students enrolled at least half time or more at an institution of higher education are still ineligible to receive SNAP benefits unless they meet an exemption from student requirements¹. One of the student exemptions includes receipt of TANF funds under Title IV of the Social Security Act. If funded with federal TANF dollars versus state MOE, TANF into the WCG both confers CE and meets student requirements.

Basic Food Employment & Training (BFET)

Basic Food Employment and Training (BFET) is a voluntary program that provides employment readiness opportunities for SNAP recipients through contracted community and technical colleges and community based organizations. Supports offered through the BFET program include:

¹ [7 CFR 273.5 \(b\)](#)

- Guided job search
- Job training that enhances resumes and interview skills
- Vocational training
- Child care
- Case management
- Basic Skills/ESL
- Job placement
- Participant reimbursement - support services, (transportation, personal hygiene, clothing, etc.)

A major concern with appropriating TANF funds into the WCG is its impact on BFET students. Participation in BFET qualifies a SNAP recipient for the student exemption (as discussed above), but TANF recipients are prohibited from participating in BFET. If WCG includes TANF funding, BFET students receiving the WCG may be considered ‘TANF recipients’ and lose the supports they receive through BFET.

In addition to adversely impacting students currently receiving support services leading to employment, this would also result in a reduction in funding to SBCTC. Services under the BFET program are funded from a reimbursement after the colleges bill for BFET services funded with non-federal monies. For each of the 2,767² BFET participants, colleges risk losing \$2,961 per student in federal reimbursements. These reimbursed funds provide case management for all BFET students and fund student tuition, book and support services needs for students not eligible for other funding sources. **Table 1** shows potential loss of approximately \$8,000,000 in funding for the college system to further support students.

Table 1: Potential loss of federal funding (excluding additional supportive services) based on 2018-2019 Academic Year Tuition, Books and Fees

BFET Students Receiving WCG	Loss in Funding to Colleges per BFET Student	Total Loss to College System
2,767	\$2,961	\$8,193,087

Students receiving TANF ‘assistance’ cannot also receive BFET. If the WCG includes TANF funds, it must be considered ‘non-assistance’ to prevent duplication. This allows the BFET population to receive a WCG partially or wholly funded with TANF without becoming ineligible for BFET services.

Even if TANF didn’t adversely impact BFET participants, the concern that if all WCG recipients are eligible for the TANF to meet student exemption, they may choose

² Data from State Board of Community and Technical Colleges, BFET 2018-2019 Academic Year

to stop participating in BFET services as student exemption criteria is met through the partially TANF funded WCG.

Second Substitute House Bill 1893 Sec.4 (1)(a) requires that the department consult SBCTC to identify educational programs that meet requirements of BFET. SBCTC is developing a proposal in collaboration with BFET for expansion of approved BFET programs.

IMPLEMENTATION RECOMMENDATIONS

Use of TANF federal funds for WCG

To address concerns above, TANF funds used for the WCG to expand eligibility for SNAP must meet criteria that would designate those TANF funds as non-assistance and non-recurring in order to ensure that the student receiving these funds:

- Retains eligibility for BFET
- Meets student exemption criteria
- Not be subject to TANF assistance requirements

There is some concern that BFET students (who meet the student exemption criteria) will opt out of BFET if they can meet the student exemption criteria through receipt of a TANF Funded WCG grant. This could reduce BFET match in the community colleges. Further, it may be more cost effective to target TANF funded WCG grants to income eligible students whose course of study does not meet BFET criteria.

To confer CE³ for WCG students, households must be under 200 percent Federal Poverty Level (FPL), receiving non-cash or in-kind benefits or services from a program designed to further purpose three⁴ and four⁵ of the TANF block grant, if the program is funded with federal money or state MOE money. Non-cash, in-kind benefits or services to meet purpose three and four may include TANF funds toward education. If federal TANF funds are used, students meet exemption criteria from work requirements as they are recipients of TANF under Title IV of the Social Security Act⁶, therefore meeting student exemption from work requirements. State TANF MOE is not considered TANF under Title IV of the Social Security Act. The funds used for WCG must be considered "TANF under Title IV of the Social Security Act" in order to exempt the recipient from the student requirements.

³ [7 CFR 273.2\(j\)\(2\)\(i\)\(C\) and \(ii\)\(B\)](#)

⁴ Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies

⁵ Encourage the formation and maintenance of two-parent families.

⁶ [Social Security Act Title IV](#)

States have the option of providing non-recurring, short term cash benefits (which differ from regular TANF ‘assistance’ benefits) that are designed to deal with a specific crisis situation or episode of need, are not intended to meet recurring or ongoing needs, and will not extend beyond four months⁷. TANF time limits⁸ are specific to cash ‘assistance’. Because such benefits are not ‘assistance’, they are not subject to a variety of TANF requirements such as work participation, time limits, child support assignment, and detailed data reporting.

Shifting some amount of TANF federal funding to WCG would require shifting the same amount of WCG General Fund-State dollars back to the TANF program to ensure adequate funding for TANF cash grants, employment and training programs, and child care subsidies. This would not increase spending on either TANF or WCG, only shifting the state and federal funding source for a portion of the two programs. We recommend that the specific amounts to shift between programs be determined in consultation with SBCTC, WSAC and the Office of Financial Management (OFM). This option would require a level of administrative data and expenditure tracking that is difficult to estimate at this time.

OPTIONS

Option 1: TANF benefit to WCG recipients in community and technical colleges (CTCs) meeting criteria

Proposal

Option 1 uses criteria above to determine who qualifies for the TANF benefit based on students who:

- Are not currently receiving TANF benefits;
- Have income under 50% Median Family Income (MFI); and
- Are not enrolled in a BFET approved training program.

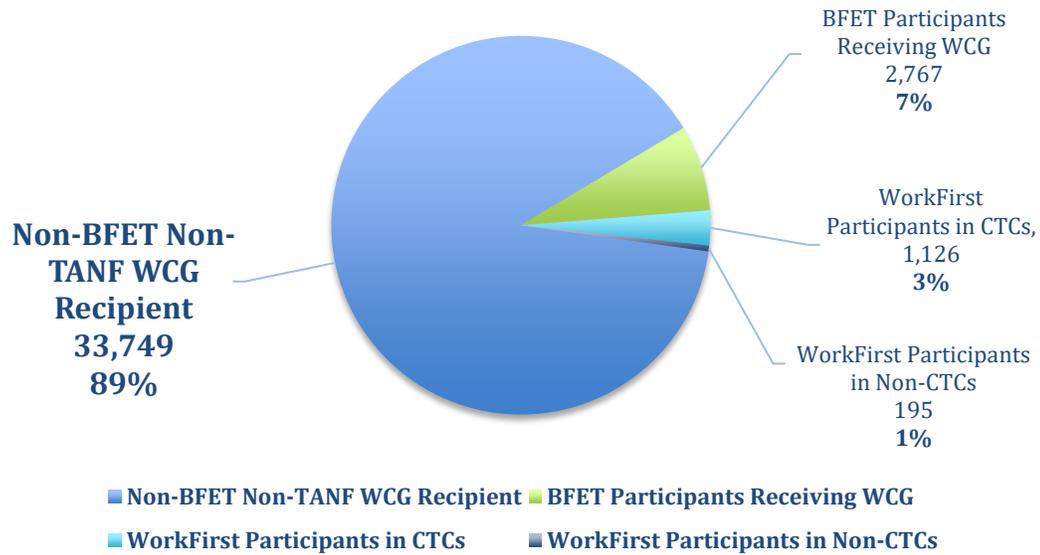
WSAC estimates 37,837 WCG recipients are under 50 percent MFI, and data from SBCTC shows 2,767 BFET participants receive the WCG (both averages based on academic year 2018-2019). An average of 1,126⁹ WorkFirst participants were in vocational or postsecondary education through SBCTC colleges, and an average of 195 WorkFirst participants were in private colleges or baccalaureate programs. The number of WorkFirst students receiving the WCG is unknown, so estimated TANF recipients receiving a WCG may be inaccurate but are included to determine potential maximum cost and expansion of student exemption.

⁷ [45 CFR 260.31](#)

⁸ [45 CFR 264.1](#)

⁹ [WorkFirst Chartbook Count 5c: Use of Vocational or Postsecondary Education including Part-Time College Courses average for academic year 2018-2019](#)

WCG Recipients , TANF and BFET



To identify students who meet this criteria, WSAC needs data share agreements (DSAs) with each community and technical college (CTC) to obtain individual student-level data, specifically income information. The DSAs must meet security standards of the department, educational institutions and WSAC. DSAs need to be developed between WSAC, SBCTC, and DSHS to determine who meets suggested criteria on a quarterly basis. Under this proposal, the universities and colleges need additional funding to increase staffing for data collection and reporting. SBCTC estimates one Program Manager (PM) FTE for each of the 34 CTCs plus one PM FTE at SBCTC Headquarters; a total of 35. DSHS estimates one PM FTE at its Community Services Division Headquarters for eligibility determination and maintenance. Both agencies estimate the cost per FTE at \$93,000 annually to include salary and fringe benefits.

This option includes a reimbursement program contract between the department and WSAC in order to distribute funding appropriately for the recommended TANF benefit or service. TANF dollars used to fund this benefit may be based on budgetary factors and reconciled based on how many students qualified. This report uses \$10 per student (minimum TANF grant amount) for all three quarters per academic year, for a one-time benefit.

Table 2 shows estimated costs to implement the basic food eligibility expansion through WCG.

Table 2: Estimated Annual Cost to Implement Option 1

	Quantity	Cost	Total
BFET PM FTE	1	\$93,000	\$93,000
SBCTC PM FTE	35	\$93,000	\$3,255,000
TOTAL to support administration			\$3,348,000
TANF funds to students per academic year	33,749	\$30	\$1,012,470
TOTAL to fund Option 1			\$4,360,470

Option 2: Approve all two-year training programs for BFET and TANF benefits to WCG recipients in private colleges and baccalaureate programs

Proposal

Option 2 includes continued focus on existing expansion efforts for all CTC training programs to become BFET approved as required in 2SHB 1893 Section 4 (1)(a). This option concentrates on integration of TANF benefits into the WCG for private and baccalaureate colleges. To support this option, an increase in federal funds is needed to match state funds spent by CTCs for BFET, assuming state funds are available to draw this match.

WSAC data estimates that of WCG recipients in academic year 2018-2019, 31,943 students attended non-CTC colleges:

- 14,336 students attended research colleges (WSU or UW)
- 10,550 students attended comprehensive colleges (Central, Western, Eastern, and Evergreen universities)
- 5,682 attended a 4 year private college
- 1,375 attended a 2 year private college

WCG Students with MFI Under 50 Percent

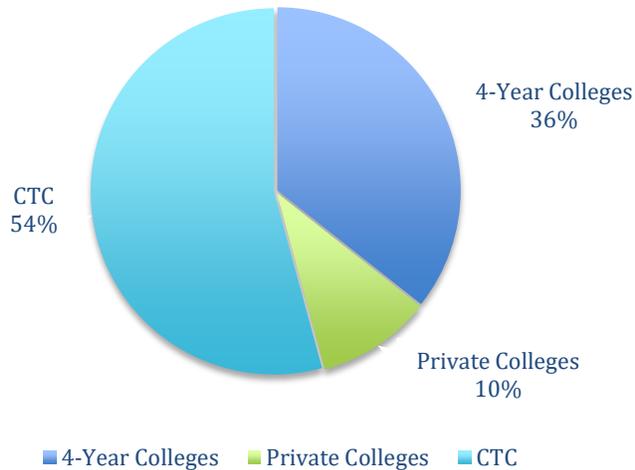


Table 3: Estimated Annual Cost to Implement Option 2

	Quantity	Cost	Total
TANF funds to students per academic year	31,943	\$30	\$958,290

**This estimate excludes costs to staff private and baccalaureate program DSAs*

Challenges

This option, similar to Option 1, requires the same DSAs with participating colleges, but this option is more difficult as DSAs need to be developed separately with private colleges and four-year colleges which are not SBCTC contracted establishments. *Cost estimate is indeterminate at this time.*

CONCLUSION

Expanding access to SNAP benefits for low-income students is possible but presents significant administrative challenges. Each option requires development of a secure electronic reporting system¹⁰, additional staffing and processes to ensure accurate and safeguarded transfers of information. Additional state funds may be needed to replace TANF federal funds to avoid negatively impacting TANF grants or support services received by TANF recipients. If USDA/FNS approval is required to implement either of these options, that approval is unlikely, especially with efforts to amend 7 CFR 273 as proposed at [84 FR 35570](#) which significantly limits states' ability to confer SNAP CE via TANF benefits.

The approval of all CTC programs for BFET in option 2 eliminates the need for data share agreements or data collection efforts, and the associated staffing costs for the CTCs and the SBCTC included in option 1. However, Option 2 may include additional costs for DSAs with private colleges and four-year colleges. Option 2 also increases the potential amount of federal reimbursement that could be received by the CTC system to support students receiving SNAP. In this scenario, all non-federal expenditures for students receiving SNAP in the BFET program would be eligible for reimbursement. This would include SNAP recipients receiving WCG and any other non-federal funding for books, tuition, and other supportive services.

¹⁰ Cost is indeterminate at this time