

**REPORT TO THE LEGISLATURE**

**Examining Temporary Assistance for Needy Families  
Time Limit and Sanction Data  
*Disaggregated by Race and Ethnicity***

RCW 74.08A.265

December 31, 2022

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## Executive Summary

[Chapter 320, Laws of 2020](#) directs the Department of Social and Health Services (DSHS) to produce a report, by December 31 of each year, of the race of individuals whose Temporary Assistance for Needy Families (TANF) benefits were reduced or terminated due to sanction or due to reaching the 60-month time limit. DSHS is also required to include in the report steps it is taking to address any racial disproportionality found in the data.

## Statutory Requirement

RCW [74.08A.265](#) requires a report on disaggregated data identifying the race of individuals whose TANF benefits were reduced or terminated during the preceding year due to:

- (a) Sanction as described in [RCW 74.08A.260](#); or
- (b) Reaching the 60-month time limit under [RCW 74.08A.010](#).

If the disaggregated data for terminated or sanctioned individuals shows a disproportionate representation of any racial group that has experienced historic disparities or discrimination, the department must describe the steps it is taking to address and remedy the racial disproportionality.

## Recent History of Race Matters in Washington State Public Assistance

In a September 2019 House Human Services and Early Learning committee work session, the Community Services Division (CSD) of the department's Economic Services Administration presented [data](#) showing the presence of racial disproportionality in public assistance and discussed the department's findings and continuous improvement efforts to understand and eliminate disparities and racial disproportionality. The previous year, while reviewing disaggregated data, CSD found a disproportionate impact of the TANF time limit policy on Black and Native American families. Compared to all TANF clients, Black and Native American clients were disproportionately likely to experience a time limit termination of benefits or, if reapplying for benefits, have their application denied based on not meeting time limit extension criteria. The 2019 report also covered TANF non-compliance sanction policy, where at that point no statistically significant racial disproportionality was seen.

In response, CSD cast a wide net to examine why time limit disproportionality exists and what could be done about it. This examination included reviewing the 60-month TANF Time Limit Extension (TLE) process and reviewing cases to determine where shortfalls were arising. CSD convened a workgroup that utilized a data-based approach to develop processes to further the work of eliminating disparities and racial disproportionality. CSD continues to consider bias in the construction of the policy, the narrow criteria for granting a time limit extension, unconscious bias in the application of the policy, and wider systemic racism. Each of these factors likely contributes to the resulting application of the policy. Since that time, DSHS has adopted an [agency-wide initiative](#) to become an antiracist, equitable and transformational organization, including the establishment of an [Office of Equity, Diversity, Access and Inclusion](#) to oversee those efforts. Likewise, CSD has made practice changes to address implicit bias, and the legislature has adopted and funded policy changes aimed at addressing the disproportional impact of

TANF policy. Specifically, CSD has modified sanction and TLE policies (see below). At the same time, beginning in April 2020 in response to the COVID-19 pandemic, CSD temporarily suspended some TANF policies. These temporary policy changes have provided the opportunity to assess the impact by race of removing time limits and sanctions.

## Sanction

CSD case managers connect parents and caregivers to education, job training and employment opportunities through WorkFirst- a partnership between DSHS, Employment Security Department, State Board of Community and Technical Colleges, and Department of Commerce as well as many community-based organizations. The [non-compliance sanction policy](#) reduces and then terminates TANF benefits when an adult required to participate in WorkFirst:

- Does not prepare for and seek employment, or otherwise participate, without good cause.
- Fails to attend a non-compliance meeting or make contact with the department.

Sanction is a penalty that reduces and then terminates a family's TANF cash benefit. Federal TANF rules ([Sec 407 \(e\) \(1\) 42 USC 607](#)) require sanction, but allow states to determine whether the grant will be reduced by a pro rata share (based on the share of the adult who is not complying), reduced by a larger than pro rata share, or ended. States also have the ability to establish good cause or other exceptions. Federal law requires, at a minimum, the reduction of cash assistance if an individual does not comply with the WorkFirst program. Greater penalties may be applied and states have the option of terminating assistance due to non-compliance.

Washington State's sanctions are stricter than what is required by federal law. After two consecutive months of non-compliance, under state law that went into effect July 2021<sup>1</sup>, a family's grant is reduced by 40% or the non-complying adult's pro-rata share, whichever is greater. If the parent does not resume participation after an additional 10 months of non-compliance, they will be terminated from the program. Federal law asserts that states must reduce *or* terminate cash assistance for failure to comply with an individual responsibility plan. Washington State goes beyond the federal requirement by reducing *and* then terminating a family's cash benefit. This optional policy is commonly referred to as "full-family sanction," since both the children and adults in the household lose access to assistance.

## Time Limit Extensions

Federal law places a 60-month time limit on TANF benefits for an adult in their lifetime. Adults may qualify for a TANF/SFA hardship extension in which benefits may extend past 60 months<sup>2</sup>. The biennial and supplemental operating budgets adopted in 2021 and 2022 funded a pandemic TLE hardship category, which extended TANF cash assistance to families who didn't meet any other hardship TLE extension criteria<sup>3</sup>. Although not required by federal law, state law also applies the 60-month time limit to ineligible parents (parents who are undocumented immigrants, receiving SSI benefits, or, much less

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<sup>1</sup> [Substitute House Bill 2441 \(Chapter 338, Laws of 2020\)](#). The new sanction policy did not impact families until December 2021 because WorkFirst participation and associated sanctions were temporarily suspended in response to the COVID-19 pandemic (see COVID-19 Pandemic Response below).

<sup>2</sup> Federal law allows states to establish these exemption criteria, but states are penalized if more than 20% of their average monthly caseload are cases with adult recipients who have received federal TANF benefits for more than 60 months.

<sup>3</sup> [Supplemental Operating Budget: Engrossed Substitute Senate Bill 5693 \(Chapter 297, Laws of 2022\)](#)

commonly, are disqualified due to conviction of welfare fraud) who receive TANF/SFA benefits for their children. The department contacts an adult recipient or ineligible parent as they approach the 60-month limit to determine if they are eligible for a hardship extension. To qualify for a hardship extension, the recipient or ineligible parent must provide documentation that they meet one of the following conditions:

- 55 years of age or older and a caretaker relative.
- A disabled adult with a severe and chronic condition.
- Caring for a disabled adult or child.
- Following a plan to address family violence, developed by a person trained in family violence.
- Applying for federal disability benefits (SSI/SSDI).
- Employed 32 hours in unsubsidized work.
- Experiencing homelessness or caring for a homeless child.
- Involved for the first time with the child welfare system.
- Pandemic and Post-Pandemic hardship (4/1/2020 through 6/30/23).

[2SSB 5214 \(Chapter 239, Laws of 2021\)](#) created a new hardship category for time limit extension to include a month of extension for each month a family is receiving TANF when the Washington unemployment rate is greater than or equal to 7%. This policy will become effective in July 2023 once the current COVID-19 expanded time limit policy ends.

[HB 1755 \(Chapter 334, Laws of 2022\)](#) created another hardship category for time limit extension to include a three-month extension when a family is applying for or receiving TANF and has 60 months or more duration on the program and the Employment Security Department's most recently published unemployment rate is greater than or equal to 7%. This policy will also be implemented in July 2023.

## COVID-19 Pandemic Response

CSD made the following temporary policy changes in response to the public health crisis and economic hardship brought on by the COVID-19 pandemic:

- Effective March 16, 2020, all WorkFirst participants were temporarily exempt from participation, but could participate voluntarily. Participation requirements resumed in September 2021.
- Effective March 16, 2020, CSD temporarily suspended associated WorkFirst non-compliance sanction and termination penalties. This suspension ended in September 2021.
- In summer 2021, CSD notified households that WorkFirst participation requirements were resuming. Throughout fall 2021, CSD attempted to connect with non-participating households, work with parents to assess their current family situation and establish an appropriate participation plan. No family faced sanction until the department attempted to contact them. The results of the resumption of participation requirements and associated sanctions are described below under *Latest Findings from SFY 2022*.
- Effective April 1, 2020, CSD expanded the 60-month Time Limit Extension to support families experiencing hardships due to the COVID-19 emergency. Based on funding and direction provided in the SFY 22 and SFY 23 Operating Budgets, this policy continues through June 2023. The results

of continuing this hardship time limit extension are described below under *Latest Findings from SFY 2022*.

### Prior Findings of Potential Disproportionality

In 2018 and 2019, ESA's Management Accountability and Performance Statistics (EMAPS) and DSHS Research and Data Analysis staff examined data to discover the contours of the disproportionality in application of the time limit extension policy. A comparison of clients terminated or denied an extension in SFY 2017 due to time limits showed that Black/African American clients were only 19% of all TANF clients, but 31% of the clients terminated or denied for time limit, while American Indians were 9% of all TANF clients and 13% of clients terminated or denied for time limit<sup>4</sup>. Some, but not all, of the disproportionality is associated with higher likelihood of adults in this demographic reaching the 60-month time limit<sup>5</sup>.

EMAPS developed an analysis of clients by race and ethnicity for SFY 2020 and 2021<sup>6</sup>. The analyses considered all sanctioned cases and all time limit extension terminations and denials. Using EMAPS analyses, staff found disproportionality in TANF/SFA, such as: American Indian/Alaska Native and Two or More Races subgroups were more likely to have their benefits reduced, terminated, or denied due to sanctions, and Hispanic/Latino and Black/African American clients were more likely to have their benefits terminated or denied due to the 60-month time limit.

### Policy and Practice Responses

In response to the findings listed above, changes were put in motion in both practices and policy. Beginning in June 2019, CSD required all TLE denials to have a supervisory review. This second layer of review makes certain that correct procedures are followed and works to prevent unconscious bias in determinations. An enhancement to use automation to generate letters to improve communication with clients as they near their time limit is also in process. In addition, [Second Substitute House Bill 1603](#) (Chapter 343, Laws of 2019) made two changes to the TANF and WorkFirst programs. Families are no longer permanently disqualified after three sanction terminations, and homelessness was added to the criteria for a TLE hardship. In 2020, [Second Substitute Senate Bill 6478](#) (Chapter 320, Laws of 2020) broadened the definition of homelessness for the purpose of this extension to align with the federal McKinney-Vento definition and includes those who are doubled-up, sharing housing for financial reasons, or caring for a child relative who is homeless, even if the caregiver is not in this situation.

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<sup>4</sup> Source: DSHS TANF Time Limit Analysis Comparing Cases Closed Due to Time Limits with Other Case Closures, October 2018 (Revised February 2019), Christina McHugh, M.A., M.P.P., J. Taylor Danielson, Ph.D.

<sup>5</sup> The [Governor's Poverty Reduction Workgroup's 10-year strategic plan for reducing poverty](#) notes: "A large body of research draws a direct, causal relationship between structural racism, historical trauma, and the creation of policies, programs, and practices that result in inequitable outcomes. (pg. 16)"

<sup>6</sup> The SFY 2020 report can be found [here](#). Source: ESA-EMAPS Report #5136 using the ACES Data Warehouse, October 2020. Note: SFY 2020 cases cover July 2019 – March 2020 because, as noted above, CSD temporarily waived mandatory participation requirements and associated sanction due to the COVID pandemic. Likewise, all families reaching 60 months duration were temporarily granted a time limit extension based on the pandemic if they did not meet other criteria. The SFY 2021 report can be found [here](#).

Although the homelessness category of TLEs is relatively small, [initial findings show](#) that this policy change has been particularly beneficial for Black/African American and American Indian/Alaska Native clients. These subgroups are more likely to receive homelessness TLEs than other subgroups.<sup>7</sup>

From December 2011 until July 2019, a household terminated from TANF three times due to noncompliance was permanently disqualified from receiving TANF. Initial findings on the ending of permanent disqualification shows positive results. EMAPS examined clients who received TANF/SFA between July 2019 and June 2021, comparing clients who would have lost access to TANF/SFA under the previous permanent disqualification policy to other clients.<sup>8</sup> While all clients benefitted, Black/African American and American Indian/Alaska Native clients particularly benefitted from this policy change, as they were larger percentages of those who would have lost access to TANF/SFA.

At the time of the discoveries of disproportionality, ESA was in the process of piloting a tool for equity analysis called the Multidimensional Equity Analysis (MDEA). A workgroup convened to pilot the tool by examining the TANF TLE process. This pilot documented potential bias in the process of TLE determination. In response, CSD has facilitated trainings and discussions to mitigate possible unconscious bias and has established a respect, equity, diversity, and inclusion (REDI) ambassador campaign to help staff connect ESA poverty reduction goals to their daily work, and educate both front-line and headquarters staff on the importance of routinely monitoring for bias in their daily work.

Since being piloted, MDEA has been introduced to staff involved in legislative analysis, policy analysis, and has been used by process improvement work groups convened to improve processes related to EBT services and fraud referral. The department as a whole has implemented a similar equity analysis process for all agency decision packages with training provided to staff in policy, budget, and other roles that support the development of decision packages.

In September 2019, CSD provided core REDI academy training for more than 112 staff engaged as REDI Ambassadors in CSOs throughout all regions and the CSD Customer Service Contact Center. This approach is informed by social science research on workplace effectiveness, human development, group behavior, and social justice theories. Building on the success of the core REDI academy training, CSD initiated a quarterly REDI campaign with the intention of providing tools and ongoing training for REDI Ambassadors to deliver campaign materials to frontline staff. After the success of the first formal REDI Ambassador Academy training, REDI Campaign #1 was released in October 2019 to help staff connect REDI to ESA's unified goals of reducing poverty in a way that eliminates disparities. The content of REDI Campaign #1 is now embedded into CSD's REDI Orientation training for all CSD new staff hires preferably within the initial 90 days of their start date. This all day training includes facilitated discussions related to equity, diversity, and inclusion and how unintentional barriers or bias may show up in CSD's policy, procedures, customer interactions and service delivery outcomes using case studies. In addition, CSD has produced seven total REDI Campaigns, delivered to CSD staff on a quarterly basis.

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<sup>7</sup> ESA-EMAPS Assignment #5412 using the ACES Data Warehouse as of the September 2021 load.

<sup>8</sup> EMAPS Reference #5424, Demographic Profile of TANF/SFA Clients by Whether an Adult on the Case was Previously or Potentially Permanently Disqualified, July 2019- June 2021

The department's initiative to transform case management to be more consistent, client-centered, strengths-based and informed by staff understanding of the interactions between racism and poverty is underway. Despite the service delivery and caseload impacts of the pandemic, in fall 2020, the department incorporated foundational training for all staff on the impacts of poverty and racism on those we serve, and ways we can adapt our practices to be more empathetic and effective. In September 2021, as part of this initiative, CSD staff began using an integrated interview intake process for TANF/ WorkFirst which includes new assessment tools that are participant-centered, trauma-informed, and strengths-based to better serve families.

### Latest Findings from SFY 2022

As noted above, in response to the COVID-19 pandemic, TANF policies regarding participation, sanction, and time limit extensions were suspended in an effort to support families experiencing hardship. As a result, there is no parallel disproportionality data for SFY 2021 or SFY 2022 since all families at or above 60 months duration on TANF received extensions. However, this unique set of circumstances provides the opportunity to examine the impact of an expansive TLE policy. The following table shows how Black/African American clients particularly benefitted from the expanded TLE policy during the pandemic. Before this temporary expansion was implemented, as compared to other groups, Black clients were considerably more likely to be removed from the TANF program due to the 60-month time limit policy. This temporary expansion of the time limit policy is set to end in June 2023. If this temporary policy is allowed to expire, it could have disproportionately negative impacts on Black/African American clients and other historically marginalized groups such as Hispanic/Latino clients.

In a closer look, Table 1 shows that Black/African American clients are 13.2% of all June 2022 TANF/SFA clients but 20.0% of those with COVID-19 TLEs. The analysis shows that Black/African American clients' risk (likelihood) of receiving a COVID-19 TLE is 50% higher than all clients. If terminations related to time limits resume, Black/African American clients will likely be overrepresented among those whose cases close due to time limits.



**Table 1. Demographic Profile of All TANF/SFA Clients by Time Limit Extension Status, 2022<sup>9</sup>**

		All TANF/SFA Clients		Clients on TANF/SFA Cases with a COVID-19 Time Limit Extension <sup>2</sup>			
		# of Clients	% Clients	# of Clients	% Clients	Risk <sup>3</sup>	Risk Ratio <sup>4</sup>
<b>Number of Clients<sup>5</sup></b>		<b>77,930</b>	<b>100.0%</b>	<b>9,667</b>	<b>100.0%</b>	<b>12.4%</b>	<b>1.00</b>
<b>Ethnicity and Race</b>	<b>Hispanic or Latino</b>	<b>18,355</b>	<b>23.6%</b>	<b>2,633</b>	<b>27.2%</b>	<b>14.3%</b>	<b>1.16</b>
	<b>Not Hispanic or Ethnicity Not Reported</b>	<b>59,575</b>	<b>76.4%</b>	<b>7,034</b>	<b>72.8%</b>	<b>11.8%</b>	<b>0.95</b>
	White	34,581	44.4%	3,641	37.7%	10.5%	0.85
	Black/African American	10,261	13.2%	1,934	20.0%	18.8%	1.52
	Asian/Pacific Islander	4,582	5.9%	340	3.5%	7.4%	0.60
	American Indian/Alaska Native	3,335	4.3%	383	4.0%	11.5%	0.93
	Two or More Races	2,676	3.4%	365	3.8%	13.6%	1.10
	Race Not Reported	4,140	5.3%	371	3.8%	9.0%	0.72

TANF child-only cases also have a pattern of disproportionate impact. According to state law, child-only cases in which parents are ineligible to receive TANF/SFA are subject to the 60-month time limit as well. These cases are also currently eligible for COVID-19 TLEs, and examining the child-only cases with ineligible parents receiving COVID-19 TLEs shows who is likely to be affected by reinstating time limits. Child-only cases with ineligible parents includes cases in which the parent is disabled, an undocumented immigrant, or disqualified from receiving assistance. Because disabled parents qualify for the Disabled Adult TLE and adults who are disqualified from receiving assistance are rare, this primarily affects cases in which the parent is an undocumented immigrant.

Table 2 below shows the children who would lose access to TANF/SFA as a result of eliminating the COVID-19 TLE are predominantly Hispanic or Latino. While 51.8% of children on child-only TANF/SFA cases with an ineligible parent are Hispanic or Latino, 92.7% of children on child-only TANF/SFA cases with an ineligible parent and a COVID-19 TLE are Hispanic or Latino. If terminations related to the ineligible parent time limit return, Hispanic and Latino children are likely to be overrepresented among those losing TANF/SFA benefits.

**<sup>9</sup> Table 1 Data Notes:**

Note: Green shading indicates a risk ratio of at least 1.20. For this report, a risk ratio of 1.20 or greater suggests potential disproportionality.

<sup>1</sup> TANF = Temporary Assistance for Needy Families; SFA = State Family Assistance

<sup>2</sup> Clients are considered to have received a COVID-19 TLE if their cases were recorded as Caring for a Disabled Adult/COVID-19 in June 2022.

<sup>3</sup> Risk is the percentage of clients experiencing a particular outcome. It is calculated by dividing the number of clients in a group who experienced the outcome by the total number of clients in that group.

<sup>4</sup> A risk ratio compares the risk of one group experiencing a particular outcome to the risk of all groups experiencing the same outcome. It is calculated by dividing the risk for one group by the risk for all groups. A risk ratio of 1.0 indicates that risk is equal. Below 1.0 indicates lower risk, and above 1.0 indicates higher risk. For example, a risk ratio of 1.5 means that being a member of the group increases the risk of experiencing the outcome by 50%.

<sup>5</sup> Clients includes adult and child recipients.

**Table 2. Race and Ethnicity for Clients on TANF/SFA<sup>1</sup> Child-Only Cases with an Ineligible Parent<sup>2</sup> and Clients on TANF/SFA Child-Only Cases with an Ineligible Parent and a COVID-19 Time Limit Extension<sup>3</sup>, June 2022<sup>10</sup>**

		Clients on TANF/SFA Child-Only Cases with an Ineligible Parent <sup>2</sup>		Clients on TANF/SFA Child-Only Cases with an Ineligible Parent and a COVID-19 Time Limit Extension <sup>3</sup>			
		# of Clients	% Clients	# of Clients	% Clients	Risk <sup>4</sup>	Risk Ratio <sup>5</sup>
<b>Number of Clients<sup>6</sup></b>		<b>7,399</b>	<b>100.0%</b>	<b>728</b>	<b>100.0%</b>	<b>9.8%</b>	<b>1.00</b>
<b>Ethnicity and Race</b>	<b>Hispanic or Latino</b>	<b>3,829</b>	<b>51.8%</b>	<b>675</b>	<b>92.7%</b>	<b>17.6%</b>	<b>1.79</b>
	<b>Not Hispanic or Ethnicity Not Reported</b>	<b>3,570</b>	<b>48.2%</b>	<b>53</b>	<b>7.3%</b>	<b>1.5%</b>	<b>0.15</b>
	White	1,954	26.4%	14	1.9%	0.7%	0.07
	Black/African American	738	10.0%	2	0.3%	0.3%	0.03
	Asian/Pacific Islander	173	2.3%	6	0.8%	3.5%	0.35
	American Indian/Alaska Native	170	2.3%	0	0.0%	0.0%	0.00
	Two or More Races	190	2.6%	0	0.0%	0.0%	0.00
	Race Not Reported	345	4.7%	31	4.3%	9.0%	0.91

### Suspending Time Limits Does Not Create Significant Risk

Federal TANF policy imposes a financial penalty on a state if more than 20% of their TANF caseload is composed of cases with adult recipients who are receiving federal TANF benefits beyond 60 months. Washington State did not enforce a time limit prior to February 2011 and, currently, during the COVID-19 Pandemic, expanded TLEs to cover all households at or above 60 months on TANF. In neither instance did the number of cases receiving a time limit approach 20% of the caseload. **From April 2020 through**

<sup>10</sup> **Table 2 Data Notes:**

Note: Green shading indicates a risk ratio of at least 1.20. For this report, a risk ratio of 1.20 or greater suggests potential disproportionality.

<sup>1</sup> TANF = Temporary Assistance for Needy Families; SFA = State Family Assistance

<sup>2</sup> This includes cases in which the parent is disabled, an undocumented immigrant, or disqualified from receiving assistance.

<sup>3</sup> Clients are considered to have received a COVID-19 time limit extension if their cases were recorded as Caring for a Disabled Adult/COVID-19 in June 2022. Additionally, 149 clients in that Caring for a Disabled Adult/COVID-19 category had parents who were recorded as disabled. Because disabled parents are eligible for other time limit extension categories, 149 child clients on child-only cases with disabled parents were removed from TANF/SFA Child-Only Cases with an Ineligible Parent and a COVID-19 Time Limit Extension.

<sup>4</sup> Risk is the percentage of clients experiencing a particular outcome. It is calculated by dividing the number of clients in a group who experienced the outcome by the total number of clients in that group.

<sup>5</sup> A risk ratio compares the risk of one group experiencing a particular outcome to the risk of all groups experiencing the same outcome. It is calculated by dividing the risk for one group by the risk for all groups. A risk ratio of 1.0 indicates that risk is equal. Below 1.0 indicates lower risk, and above 1.0 indicates higher risk. For example, a risk ratio of 1.5 means that being a member of the group increases the risk of experiencing the outcome by 50%.

<sup>6</sup> Clients includes adult and child recipients.

**September 2022, the latest month for which data is available, households with TLEs have not reached more than 13.5% of the overall caseload.**

Washington has no history of exceeding the federal cap, neither recently during the pandemic when restrictions were loosened nor prior to 2011, including during the Great Recession, when the state did not enforce time limits. Therefore, it is unlikely that the state would exceed the federal cap if policy makers broadened the time limits exemption criteria permanently.

As of September 2022, cases with TLEs represent 13% of the caseload, down from a high of 13.5% in February 2022. The reduced proportion is due to increases in the overall TANF/SFA caseload; the actual number of households with 60 or more months on TANF/SFA has continued to increase slowly over the past year, rising from 3,680 in October 2021 to 4,180 in September 2022.<sup>11</sup>

## Sanction Resumption

As noted above, the temporary suspension of WorkFirst participation requirements ended and sanctions resumed – with some legislatively adopted changes to the sanction timeline.<sup>12</sup> Under the new sanction policy, the sanction reduction penalty is applied after two months of non-compliance. Clients may receive an additional ten consecutive months on a reduced grant before the TANF or SFA case is terminated.

Grant reductions began in December 2021, and the households that do not cure their sanction within 10 months after the reduction will have their full household grant terminated. The first grant terminations will take effect December 1, 2022. Based on an analysis of clients in reduced grant sanction, it appears that the resumption of full-family sanction terminations will disproportionately impact American Indian/Alaska Native families.

**Table 3 compares all adult and child recipients on cases that have at least one adult recipient to all adult and child recipients on cases with reduced grants. This analysis finds that American Indian/Alaska Native clients are disproportionately affected by reduced grants/sanctions.** While 3.7% of all clients on cases with adult recipients are American Indian/Alaska Native, 6.2% of clients are cases with reduced grants are American Indian/Alaska Native. American Indian/Alaska Native clients' risk of having their grants reduced due to non-compliance sanctions is 67% higher than the risk for all clients. Note that only cases with adult recipients are subject to non-compliance sanctions.

### **Table 3. Race and Ethnicity for Clients on TANF/SFA<sup>1</sup> Cases with Adult Recipients and Clients on Sanctioned<sup>2</sup> TANF/SFA Cases, December 2021 - June 2022<sup>13</sup>**

<sup>11</sup> EMAPS Report M138 TANF Extension Report September 2022 V2.

<sup>12</sup> [Substitute House Bill 2441 \(Chapter 338, Laws of 2020\)](#)

<sup>13</sup> **Table 3 Data Notes:**

		Clients on TANF/SFA Cases with Adult Recipients		Clients on TANF/SFA Cases with Grant Reduced Due to Non-Compliance Sanction (NCS) <sup>2</sup>			
		# of Clients	% Clients	# of Clients	% Clients	Risk <sup>3</sup>	Risk Ratio <sup>4</sup>
<b>Number of Clients<sup>5</sup></b>		<b>84,980</b>	<b>100.0%</b>	<b>7,944</b>	<b>100.0%</b>	<b>9.3%</b>	<b>1.00</b>
<b>Ethnicity and Race</b>	<b>Hispanic or Latino</b>	<b>17,457</b>	<b>20.5%</b>	<b>1,787</b>	<b>22.5%</b>	<b>10.2%</b>	<b>1.10</b>
	<b>Not Hispanic or Ethnicity Not Reported</b>	<b>67,523</b>	<b>79.5%</b>	<b>6,157</b>	<b>77.5%</b>	<b>9.1%</b>	<b>0.98</b>
	White	39,051	46.0%	3,780	47.6%	9.7%	1.04
	Black/African American	11,676	13.7%	1,010	12.7%	8.7%	0.93
	Asian/Pacific Islander	5,809	6.8%	367	4.6%	6.3%	0.68
	American Indian/Alaska Native	3,158	3.7%	494	6.2%	15.6%	1.67
	Two or More Races	3,023	3.6%	231	2.9%	7.6%	0.82
	Race Not Reported	4,806	5.7%	275	3.5%	5.7%	0.61

## Recent Changes in Legislation and Practice

Since the discovery of potential disproportionality in time limit extensions within TANF/SFA cases, DSHS has responded with policy and practice changes and future recommendations that attempt to promote equity in public assistance. DSHS is committed to making equity, diversity, and inclusion more than buzz words and incorporate them into the culture of how we do our work to provide equitable access to all those we serve and to meet our poverty reduction goals.

CSD believes we are moving in the right direction to address the potential disproportionality present in the data on sanctions and time limit extensions for families receiving TANF/SFA. An honest and open assessment has been made and some related changes have been instituted in policy, practice, and culture. Efforts have been made to streamline the TLE process, as follows:

- Updated training materials for staff around medical time limit extension hardships.

Note: Green shading indicates a risk ratio of at least 1.20. For this report, a risk ratio of 1.20 or greater suggests potential disproportionality.

<sup>1</sup> TANF = Temporary Assistance for Needy Families; SFA = State Family Assistance

<sup>2</sup> Clients are considered to be sanctioned if their TANF/SFA case's benefit was reduced due to a non-compliance sanction. The non-compliance sanction (NCS) policy for WorkFirst was modified effective July 1, 2021 (See WAC 388-310-1600). The NCS policy allows two continuous months of non-compliance before DSHS applies a sanction reduction penalty to their cash grant. They are allowed an additional ten consecutive months on a reduced grant before the TANF or SFA case is terminated. Operationally, DSHS implemented these changes starting in October 2021, so December 2021 is the first month that any cases had a grant reduction.

<sup>3</sup> Risk is the percentage of clients experiencing a particular outcome. It is calculated by dividing the number of clients in a group who experienced the outcome by the total number of clients in that group.

<sup>4</sup> A risk ratio compares the risk of one group experiencing a particular outcome to the risk of all groups experiencing the same outcome. It is calculated by dividing the risk for one group by the risk for all groups. A risk ratio of 1.0 indicates that risk is equal. Below 1.0 indicates lower risk, and above 1.0 indicates higher risk. For example, a risk ratio of 1.5 means that being a member of the group increases the risk of experiencing the outcome by 50%.

<sup>5</sup> Clients includes adult and child recipients.

- Implemented a process for supervisory review to ensure proper determination of time limit extension denials.
- Temporarily expanded TLE hardship category to include all applicants and recipients during the COVID-19 emergency and its recovery.

## Legislative Changes

Some policy changes have already been made which may help improve equity. As mentioned above, [Second Substitute House Bill 1603](#) (Chapter 343, Laws of 2019) ended the policy of permanently disqualifying a family after three sanction terminations and added homelessness to the hardship criteria for a TLE. As noted above, this policy is already helping Black/African American and American Indian/Native Alaskan subgroups access TANF.

[Substitute House Bill 2441](#) (Chapter 338, Laws of 2020) provides families more time to cure a sanction of their TANF/SFA grant due to non-compliance sanction (effective July 2021). This bill eliminates immediate terminations for non-compliance, allows participants two months of non-compliance prior to grant reduction, and allows an additional ten months of non-compliance while receiving a reduced grant to provide opportunities to overcome barriers and reengage before required termination. This legislation aims to minimize grant reductions and terminations by providing more opportunity for families to resume WorkFirst participation and for staff to assist them in doing so.

[Second Substitute Senate Bill 6478](#) (Chapter 320, Laws of 2020) expands the definition of homelessness to match the federal [McKinney-Vento Act definition of homeless](#). This expanded definition provides more opportunity for households to meet the criteria for a time limit extension.

[Second Substitute Senate Bill 5214](#) (Chapter 239, Laws of 2021) creates a new hardship category for time limit extension to include a month of extension for each month a family is receiving TANF and the Washington unemployment rate is greater than or equal to 7% since March 2020. This policy took effect in July 2022.

[House Bill 1755 \(Chapter 334, Laws of 2022\)](#) creates a new hardship category for time limit extension to include an extension for recipients or applications at 60+ months on TANF when the unemployment rate is 7% or higher, per the most recently published Employment Security Department rate. This TLE hardship category will be implemented in July 1, 2023.

[2022 Supplemental Operating Budget: Senate Bill 5693 \(Chapter 297, Laws of 2022\)](#) effective July 25, 2022 through June 30, 2023, funds continued post-pandemic hardship time limit extensions.

## Continued and Planned Changes in Practice

CSD has committed to incorporating REDI culture into how we do our work. CSD will continue to expand trainings and opportunities for staff to increase their awareness of unconscious bias, and focus on providing support to those we serve in a manner that is consistent with the values of REDI and the goal of becoming an antiracist organization. REDI culture has already provided a foundation for this work to build on. In the coming year, CSD will provide additional training and skill building opportunities and

performance monitoring and metrics to develop further capacity for high quality coaching case management. Given the recent findings regarding disproportionate impact on American Indians/Native Alaskans, the department is working with Tribal liaisons to develop a plan for discussing and engaging with Tribal leaders about this disproportionality. CSD will also build into standard case management practices referrals to home visiting, parenting education and other family-strengthening supports. These programs are voluntary and offered to expectant parents and families with infants and young children to support overall health of the family. When families receive these supports, children are more likely to be better prepared for school and have a stronger parent-child bond. Additionally, some home visiting programs show positive parental employment outcomes.

Long-staying clients on TANF/SFA should be offered additional voluntary contacts to enable staff to make more timely referrals, help address barriers to employment, and assess and document whether a family may meet extension criteria well ahead of reaching the 60-month TANF time limit<sup>14</sup>. This change may require an initial increase of staff time as CSD would attempt to make additional contacts earlier with long-staying clients to assess barriers, provide additional supports and assess TLE eligibility for those who remain on the caseload. It is difficult, however, to predict whether this would have long term staffing or caseload impacts without instituting a change and measuring its impacts over time.

## Recommendations

1. Current TLE extension criteria may be too narrow and the policies themselves may contribute to potential disproportionality. For example, documented disability is one criteria for extension. Some racial and ethnic groups have less access to medical care and are less likely to seek the care they need, creating barriers to obtaining necessary documentation. Removing time limits is the best solution to eliminating this disproportionality.
2. Families receiving child-only TANF receive no assessment, referrals, employment and training services, or ongoing case management. In light of the impact ineligible parents reaching time limits has on Hispanic and Latinx child-only households, support for this subgroup of participants should be considered. Staffing to support undocumented adults in moving toward financial stability or documenting how they may meet TLE criteria would continue to support children in poverty. Ending the policy of time limits for ineligible parents is also appropriate.
3. Federal law asserts that states must reduce or terminate cash assistance for failure to comply with an individual responsibility plan. Unnecessarily, Washington State goes beyond the federal requirement by reducing *and* then terminating a family's cash benefit when the client does not comply with a responsibility plan. To improve access to cash assistance, reduce the instances of reapplications, and reduce likelihood of disproportionality in sanction closures, policy makers should consider eliminating terminations due to WorkFirst non-compliance. Several states have reduced the financial penalty in these instances. Oregon recently took administrative action to eliminate full-family sanctions (75% of the grant is designated for the children in the household and cannot be taken away), and Connecticut's [Senate Bill 286](#), eliminated full-family sanctions.<sup>15</sup>

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<sup>14</sup> Clients are currently contacted and assessed at month 56-58 to assess for time limit extension.

<sup>15</sup> 2022 State TANF and Child Support Policy Changes Summary | Center on Budget and Policy Priorities

4. Work with tribal partners to understand and address disproportionate impact of resumption of WorkFirst non-compliance sanctions for American Indians/ Native Alaskans.

What has been made clear by research and data of the last few years is:

- Time limits disproportionately disadvantage certain communities/subgroups and, conversely, suspending them materially offsets disproportionality.
- Having specific hardship extension categories inherently introduces complication, workload, and human bias. The department has introduced practice changes and the legislature has made many policy adjustments, but the disproportionality persists.
- Discontinuing time limits entirely does not create significant risk of exceeding the federal cap.
- There is little evidence of the value of punitive sanctions in helping families leave poverty<sup>16</sup>.
- Many adults and children face loss of benefits in the coming months due to full-family sanction.

**Ultimately, the pandemic response has shown that the simplest and most complete solution to disproportionality in TLEs is to remove time limits.** This could be done through statutory changes to expand hardship categories to encompass all families that reach their TANF time limit and elimination of the optional application of time limits to households with ineligible parents. Recent experiences have shown that this should not put the state in jeopardy of financial penalty for exceeding the federal 20% cap. Should this become a risk, the state would have the opportunity to either tighten time limit rules to avoid hitting the cap or pay for a portion of the caseload exceeding the cap through state funds.

**Elimination of full-family sanction terminations should also be considered.** There is little evidence that such sanctions assist families in leaving poverty, and there is clear evidence that the current Washington sanction policy has inequitable impact, disproportionately affecting American Indian/Native Alaskan families.

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<sup>16</sup> [A Roadmap to Reducing Child Poverty | The National Academies Press](#)