

ECONOMIC SERVICES ADMINISTRATION

Restore 15 percent Grant Reduction



2015-17 BIENNIAL BUDGET

Request	FY16	FY17	15-17
FTE	0	0	0
GF-State	\$30,788,000	\$30,788,000	\$61,576,000
Total	\$31,027,000	\$31,027,000	\$62,054,000

DECISION PACKAGE SUMMARY

The Economic Services Administration (ESA) requests funding in order to restore the cash payment standards for Temporary Assistance for Needy Families (TANF), State Family Assistance (SFA), and Refugee Cash Assistance (RCA) programs to levels in place prior to February 1, 2011. By funding this request, ESA is expected to better support families in meeting basic needs and moving toward self-sufficiency.

PROBLEM STATEMENT

The payment standards for the TANF, SFA, and RCA programs were reduced by 15 percent effective February 1, 2011 as part of WorkFirst budget reductions. At the current level, the payment standard for a family of three is \$478 per month which is 29 percent of the Federal Poverty Guideline. The state need standard for a family of three (the amount of income required by individuals and families to maintain a minimum and adequate standard of living) is \$1,862 per month. This means that Washington State’s TANF, SFA and RCA grant levels fall far below the state need standard, at 25.7 percent of the identified amount of \$1,862.

Under the current standards, a family of three with gross earnings over \$955 is ineligible for any TANF, SFA, and RCA assistance. As illustration, a family of three with one parent working 24 hours a week at the 2014 minimum wage of \$9.32 per hour would have gross earnings of \$961 per month. At this income level and under current grant standards, this family would not be eligible for cash assistance. Prior to the reduction in 2011, this family would have been eligible for a small cash grant.

Failure to increase the current benefit amount to the January 2011 level creates an environment in which vulnerable children and adults are unable to meet basic needs such as shelter, utilities and clothing. They may also lack the resources to meet needs such as children’s school costs and transportation to sustain employment and move toward self-sufficiency. The TANF grant reduction was not consistent with the Department’s goal to connect people to benefits and services that reduce poverty and help them become more self-sufficient.



DSHS VISION
 People are healthy • People are safe • People are supported • Taxpayer resources are guarded

DSHS MISSION
 To transform lives

DSHS VALUES
 Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

ECONOMIC SERVICES ADMINISTRATION

Restore TANF 15% Grant Reduction

2015-17 BIENNIAL BUDGET



PROPOSED SOLUTION

Beginning July 1, 2015, restore TANF, SFA and RCA payment standards to the levels in effect prior to February 1, 2011.

EXPECTED RESULTS

The budget request supports DSHS Goal 4 and ESA's Strategic Objective 4: Quality of Life – Each individual in need will be supported to attain the highest possible quality of life. This request supports the Results Washington goal to help the most vulnerable people become independent and self-sufficient.

The outcome of this decision package will be to support needy TANF families as they move toward self-sufficiency and end their dependence on public assistance. Vulnerable children and adults will be better equipped to meet basic needs such as shelter, utilities and clothing. The funding will also help them meet needs such as children's school costs and transportation to sustain employment and move toward self-sufficiency.

As a result of this proposed grant standard change, it is anticipated that approximately 510 more households will enter TANF in Fiscal Year 2016. Overall, however, the TANF caseload is expected to continue to decline.

It is estimated that TANF/SFA costs will increase by \$30,788,000 and Refugee Cash Assistance will increase by \$239,000 in Fiscal Year 2016.

STAKEHOLDER IMPACT

ESA does not expect any of its community stakeholders or Tribes to have concerns about this change and many will likely support the proposal.



DSHS VISION

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

DSHS MISSION

To transform lives

DSHS VALUES

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service