

REPORT TO THE LEGISLATURE

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

RCW 74.08A.265

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TABLE OF CONTENTS

Contents

Executive Summary.....	3
Statutory Requirement	3
Race Matters in Public Assistance.....	3
Initial Findings of Potential Disproportionality	5
Current Findings of Potential Disproportionality	6
Upcoming Changes and Recommendations	11

Executive Summary

[Chapter 320, Laws of 2020](#) directed 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 sixty-month time limit. DSHS was 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 Temporary Assistance for Needy Families benefits were reduced or terminated during the preceding year due to:

- (a) Sanction as described in [RCW 74.08A.260](#); or
- (b) Reaching the sixty-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 steps it is taking to address and remedy the racial disproportionality.

Race Matters in 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 (ESA) presented data showing the presence of racial disproportionality in public assistance and discussed the department's findings and continuous improvement efforts to 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 TANF clients were disproportionately likely to experience a time limit termination of benefits or, if reapplying for benefits, to have their application denied based on not meeting time limit extension criteria.

In response, CSD "leaned into" the discomfort of reckoning with this issue and cast a wide net to examine why this 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 to address the disproportionality by following the data 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.

While more work is needed, CSD has begun practice changes to address implicit bias and the legislature has adopted and funded policy change aimed at addressing disproportional impact of the TANF time limit policy.

Sanction

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 or terminates TANF benefits when an adult is required to participate in WorkFirst:

- Does not do their part to prepare for and seek employment, or otherwise participate, for two months in a row without good cause
- Fails to attend a non-compliance meeting or make contact with the department

The sanction is a penalty that reduces and then terminates¹ a family's TANF cash benefit. It is a tool to promote accountability and responsibility and provide opportunities for participants to re-engage in appropriate WorkFirst activities. Federal TANF rules require a financial sanction when a client refuses to participate in work activities without good cause. When a client isn't participating, the department notifies them that they have ten days to make contact and provide information about why there may be good cause for not participating.

Time Limit Extensions

Federal law places a sixty-month time limit on TANF or State Family Assistance (SFA) benefits for an adult in their lifetime. Adults may qualify for a TANF/SFA time limit hardship extension in which benefits may extend past 60 months. Additionally, state law applies the sixty-month time limit to ineligible parents (parents receiving SSI benefits, disqualified due to conviction of welfare fraud, or undocumented immigrant) who receive TANF/SFA benefits for their children. The department contacts an adult recipient or ineligible parent as they approach the sixty-month limit to determine if they are eligible for a hardship extension. To qualify for a hardship extension the parent must provide the required documentation that they meet one of the following conditions:

- 55 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(ren)

¹ If the participant fails to attend a non-compliance meeting and is not available for a home visit, their grant may be terminated immediately with ten days' notice.

Initial Findings of Potential Disproportionality

Staff from ESA Management Accountability and Performance Statistics (EMAPS) and the department's Research and Data Analysis division examined data to discover the contours of the disproportionality in application of the time limit extension policy to recipients. A comparison of clients terminated in SFY 2017 due to time limits or denied an extension 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 limit².

A deeper examination of the data was done to see if the disproportionality was consistent across recent years. A comparison of adult TANF recipients from SFY 2014-2018³ who were terminated due to the time limit at sixty months and those who were approved for extension showed that Black/African American clients were 15.8% of the terminations and 12.7% of the extensions. This indicates that some, but not all, of the disproportionality is associated with higher likelihood of adults in this demographic reaching the sixty-month time limit⁴.

CSD also reviewed a small sample of cases of time limit extension denials. A review of twenty cases found no cases where it was clear the TLE should have been approved. CSD did find that some cases were missing some procedural steps, or that it appeared staff could and should have offered more support to help families document meeting criteria for an extension.

EMAPS did not find racial disproportionality in application of the WorkFirst participation non-compliance sanction penalties.

Policy and Practice Response

In response to the findings listed above, changes were put in motion in both practices and policy. Beginning in June 2019, CSD requires all TLE denials to have a supervisory review. This second layer of review makes certain that correct procedures were followed and works to prevent unconscious bias in determinations. In addition, legislative action in [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 is added to the criteria for a TLE hardship.

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 workgroup reviewed written policy related to TANF TLE and conducted site visits at Community Service Offices (CSOs). Site visits included focus groups with staff to ascertain how TLE policy and procedures were applied in their CSO. This pilot documented where there was potential bias in the process of TLE determination.

² 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.

³ Source: ESA-EMAPS assignment #4692 using ACES Data Warehouse, March 2019

⁴ The Governor's Poverty Reduction Workgroup, in their [10-Year Plan for Reducing Poverty and Inequality](#), notes the following: "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. 18)

One finding from the MDEA pilot was that staff stated they had little training in unconscious bias or principles of equity, diversity, and inclusion. In response, CSD has facilitated trainings and discussions to mitigate potential unconscious bias. A group of *Holding Space for Race* discussions took place during the summer of 2020 and a second series on the mitigation of bias is scheduled for the winter of 2021. CSD 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.

In September of 2019, CSD provided core REDI academy training for more than 112 staff who are now engaged as REDI Ambassadors in CSOs throughout all regions and the CSD Customer Service Contact Center. This training leveraged past organizational culture initiatives focused on civility and respect to incorporate equity, diversity, and inclusion as the foundation of CSD's culture and business model. This approach is informed by social science research on workplace effectiveness, human development, group behavior, as well as critical theory in social justice. The intention of this purposeful work is to develop and sustain an effective workplace culture and climate that is responsive to change, knowledgeable about social forces that impact our business, and effectively applies concepts of equity, diversity, and inclusion to all aspects of business and daily operations.

With 112 REDI Ambassadors trained, a quarterly REDI campaign approach was initiated in 2019 with the intention of providing tools and extended, ongoing training for REDI Ambassadors to deliver campaign materials to frontline staff. The quarterly campaigns are intended to bridge the divide between conceptual understanding of REDI as CSD's culture and way of doing business, as well as conceptual understanding of and value for EDI, with actual application of EDI in daily business operations and customer interaction. Monthly trainings and quarterly campaigns have focused on: ESA's goal to reduce poverty in a way that eliminates disparities by providing education on the facts of disparity within poverty and the root cause of racism and other cultural habits of supremacy in creating and perpetuating these disparities; deepening understanding of CSD's role and responsibility to these causes of disparity and embed an EDI perspective in our organizational culture and our business operations; the role of daily work that happens on the frontlines to contribute to these goals and concrete examples of opportunities frontline staff have to apply an EDI perspective to their daily work. There are also plans for the development of a REDI leadership academy to support leading in an equity, diversity, and inclusion informed manner.

Current Findings of Potential Disproportionality

EMAPS developed an analysis of clients by race and ethnicity for SFY 2019 and 2020⁵. The analysis considered all sanctioned cases and all time limit extension terminations and denials. The analysis provided a risk ratio of the potential disproportionality for various racial and ethnic subgroups compared to the population of all TANF/SFA clients.

⁵ Source: ESA-EMAPS Report #5136 using the ACES Data Warehouse, October 2020. Note: SFY 2020 cases cover July 2019 – March 2020 because CSD has temporarily waived mandatory participation requirements and is not sanctioning for non-compliance due to the COVID pandemic. Likewise, all families reaching 60 months duration on TANF are temporarily granted a time limit extension.

A Brief Discussion of Risk Ratios

Risk ratios are a way of expressing the degree to which something is occurring in a subgroup of a population in comparison to the whole population. A risk ratio is calculated by dividing the risk for the subgroup to the risk for the entire population. A risk ratio greater than 1 indicates that the subgroup is more likely to be at risk for the stated outcome (in this case sanction or TLE in TANF/SFA cases) than the population as a whole. There is no absolute ratio above which there is the presence of bias, but the department has chosen to consider all ratios over 1.2 as indicators of potential disproportionality. In some cases sample sizes were sufficiently small that a handful of cases could influence the risk ratio.

Sanctioned TANF/SFA Cases⁶

An initial examination of all sanctioned TANF/SFA cases did not show any racial or ethnic groups with potential disproportionality. EMAPS looked deeper into data subsets and found that in TANF/SFA cases with adult recipients (removing child-only cases) two ethnicity and race subgroups had a risk ratio above 1.2 (see Table 1) in the most recent fiscal year and one in the year before that (see Table 2):

Table 1. Race and Ethnicity for Clients on TANF/SFA Cases with Adult Recipients and Clients on Sanctioned TANF/SFA Cases, July 2019 – March 2020

		TANF/SFA Cases with Adult Recipients		TANF/SFA Cases with Benefit Reduced, Terminated, or Denied Due to Sanctions			
		# of Clients	% Clients	# of Clients	% Clients	Risk	Risk Ratio
Number of Clients		71,788	100.0%	8,864	100.0%	12.3%	1.00
Ethnicity and Race	Hispanic or Latino	14,186	19.8%	1,711	19.3%	12.1%	0.98
	Not Hispanic or Ethnicity Not Reported	57,602	80.2%	7,153	80.7%	12.4%	1.01
	White	33,763	47.0%	4,349	49.1%	12.9%	1.04
	Black/African American	10,308	14.4%	1,182	13.3%	11.5%	0.93
	Asian/Pacific Islander	4,535	6.3%	577	6.5%	12.7%	1.03
	American Indian/Alaska Native	2,238	3.1%	367	4.1%	16.4%	1.33
	Two or More Races	2,142	3.0%	329	3.7%	15.4%	1.24
	Race Not Reported	4,616	6.4%	349	3.9%	7.6%	0.61

The small size of the American Indian/Alaska Native and Two or More Races groups may be affecting whether or not disproportionality is found. At the same time, the fact that EMAPS found potential disproportionality in two consecutive years indicates that American Indian/Alaska Native clients may be

⁶ Note: Cases are considered sanctioned if their benefit was reduced, terminated, or denied due to non-compliance sanction.

disproportionately subject to sanctions. However, with the lower risk ratio in 2020, disproportionality may be decreasing over time.

Table 2. Race and Ethnicity for Clients on TANF/SFA Cases with Adult Recipients and Clients on Sanctioned TANF/SFA Cases, July 2018 – June 2019

		TANF/SFA Cases with Adult Recipients		TANF/SFA Cases with Benefit Reduced, Terminated, or Denied Due to Sanctions			
		# of Clients	% Clients	# of Clients	% Clients	Risk	Risk Ratio
Number of Clients		81,802	100.0%	12,838	100.0%	15.7%	1.00
Ethnicity and Race	Hispanic or Latino	15,737	19.2%	2,507	19.5%	15.9%	1.02
	Not Hispanic or Ethnicity Not Reported	66,065	80.8%	10,331	80.5%	15.6%	1.00
	White	38,659	47.3%	6,201	48.3%	16.0%	1.02
	Black/African American	11,430	14.0%	1,616	12.6%	14.1%	0.90
	Asian/Pacific Islander	4,952	6.1%	744	5.8%	15.0%	0.96
	American Indian/Alaska Native	2,530	3.1%	582	4.5%	23.0%	1.47
	Two or More Races	2,560	3.1%	454	3.5%	17.7%	1.13
	Race Not Reported	5,934	7.3%	734	5.7%	12.4%	0.79

The potential disproportionality seen in this risk ratio could be influenced by small sample sizes. However, the department continues to work with our Tribal partners to find ways to better provide support to American Indian/Alaska Native community members.

TANF/SFA Cases with Time Limit Termination, Denial, or Extension

The analysis of all TANF/SFA cases showed higher risk ratios for time limit termination, denial, or extension for some racial/ethnic subgroups. Two subgroups, Hispanic or Latino (1.41) and Black/African American (1.46), had a risk ratio above 1.2 when considering all cases with benefits terminated or denied due to time limit, indicating a risk of potential disproportionality (see Table 3). The sample sizes are sufficient to conclude that potential disproportionality exists for these subgroups. Additionally, the risk ratios for these two subgroups remained consistent from SFY 2019 data (not shown).

Table 3. Race and Ethnicity for All TANF/SFA Clients and Cases Terminated or Denied Due to Time Limit, July 2019 – March 2020

		TANF/SFA Cases		TANF/SFA Cases with Benefit Terminated or Denied Due to Time Limit			
		# of Clients	% Clients	# of Clients	% Clients	Risk	Risk Ratio
Number of Clients		94,541	100.0%	3,638	100.0%	3.8%	1.00
Ethnicity and Race	Hispanic or Latino	22,293	23.6%	1,206	33.2%	5.4%	1.41
	Not Hispanic or Ethnicity Not Reported	72,248	76.4%	2,432	66.8%	3.4%	0.87
	White	42,347	44.8%	1,209	33.2%	2.9%	0.74
	Black/African American	12,631	13.4%	711	19.5%	5.6%	1.46
	Asian/Pacific Islander	5,294	5.6%	111	3.1%	2.1%	0.54
	American Indian/Alaska Native	3,499	3.7%	115	3.2%	3.3%	0.85
	Two or More Races	2,840	3.0%	115	3.2%	4.0%	1.05
	Race Not Reported	5,637	6.0%	171	4.7%	3.0%	0.79

Black/African American participants also have a higher risk ratio for having their case approved for a time limit extension (see Table 4). This shows that Black/African Americans have a larger share of cases terminated or denied for time limit and a larger share cases approved for extension than their prevalence in the TANF caseload would otherwise have predicted. Black/African American households are disproportionately experiencing chronic poverty, staying on the TANF/SFA caseload longer, and reaching the time limit where a decision of extension is required. The impact of historical and persistent systemic racism on household wealth and income is documented in literature.^{7 & 8}

⁷ [The Population of Poverty USA](#), Poverty USA, based on US Census data for 2018

⁸ December 2019 DSHS report to the Legislature of a [Five-Year Plan to Reduce Intergenerational Poverty and Promote Self-Sufficiency](#) prepared by the Economic Services Administration, Community Services Division and approved by the Legislative-Executive WorkFirst Poverty Reduction Oversight Task Force provides, in Appendix C, examples of significant US policies affecting poverty outcomes by race and ethnicity. It is adapted from Ellis, W. (2019) Community Resilience: A Dynamic Model for Public Health. Retrieved from ProQuest Dissertations and Theses Database (UMI No. 13811038)

Table 4. Race and Ethnicity for All TANF/SFA Clients and Cases with Time Limit Extensions, July 2019 – March 2020

		TANF/SFA Cases		TANF/SFA Cases with Time Limit Extension			
		# of Clients	% Clients	# of Clients	% Clients	Risk	Risk Ratio
Number of Clients		94,541	100.0%	11,270	100.0%	11.9%	1.00
Ethnicity and Race	Hispanic or Latino	22,293	23.6%	2,305	20.5%	10.3%	0.87
	Not Hispanic or Ethnicity Not Reported	72,248	76.4%	8,965	79.5%	12.4%	1.04
	White	42,347	44.8%	5,064	44.9%	12.0%	1.00
	Black/African American	12,631	13.4%	2,226	19.8%	17.6%	1.48
	Asian/Pacific Islander	5,294	5.6%	263	2.3%	5.0%	0.42
	American Indian/Alaska Native	3,499	3.7%	394	3.5%	11.3%	0.94
	Two or More Races	2,840	3.0%	430	3.8%	15.1%	1.27
	Race Not Reported	5,637	6.0%	588	5.2%	10.4%	0.88

In an effort to provide further context and understanding of the potential disproportionality, the department reviewed subsets of TANF/SFA households: When considering only TANF/SFA cases with adult recipients (no child-only cases), the risk ratio for being terminated or denied due to time limit is still high for Black/African American cases (1.63) whereas the risk ratio for Hispanic or Latino (1.15) falls below the 1.2 threshold (chart not shown). This is because Hispanic or Latinx clients are disproportionately likely to be in mixed-status households with an ineligible parent⁹ in which only the children are receiving benefits. Adult recipient cases are not driving the risk ratio for Hispanic or Latinx for all TANF/SFA cases, but rather their prevalence in ineligible parent caseloads and high risk ratio of being terminated or denied due to time limit in that subset (see Table 5). It is important to note that in addition to undocumented immigrant status, a parent is ineligible for TANF/SFA if they are receiving SSI benefits due to disability status. Most parents ineligible for this reason are able to document that they qualify for a TLE.

⁹ Ineligible parent includes cases where the parent is receiving SSI benefits, an undocumented immigrant, or disqualified from receiving benefits

Table 5. Race and Ethnicity for Clients on TANF/SFA Child-Only Cases with an Ineligible Parent and Clients on TANF/SFA Cases Terminated or Denied Due to the Ineligible Parent Time Limit, July 2019 – March 2020

		TANF/SFA Child-Only Cases with Ineligible Parent		TANF/SFA Cases with Benefit Terminated or Denied Due to Ineligible Parent Time Limit			
		# of Clients	% Clients	# of Clients	% Clients	Risk	Risk Ratio
Number of Clients		10,074	100.0%	755	100.0%	7.5%	1.00
Ethnicity and Race	Hispanic or Latino	5,073	50.4%	548	72.6%	10.8%	1.44
	Not Hispanic or Ethnicity Not Reported	5,001	49.6%	207	27.4%	4.1%	0.55
	White	2,760	27.4%	103	13.6%	3.7%	0.50
	Black/African American	1,036	10.3%	38	5.0%	3.7%	0.49
	Asian/Pacific Islander	198	2.0%	15	2.0%	7.6%	1.01
	American Indian/Alaska Native	195	1.9%	12	1.6%	6.2%	0.82
	Two or More Races	248	2.5%	2	0.3%	0.8%	0.11
	Race Not Reported	564	5.6%	37	4.9%	6.6%	0.88

Upcoming Changes and Recommendations

Since the first discovery of potential disproportionality in time limit extensions within TANF/SFA cases, DSHS has responded with changes which endeavor to promote equity in public assistance. These changes have come in the form of both policy and practice as well as future recommendations. DSHS is committed to making respect, equity, diversity, and inclusion more than just buzz words and incorporate them into the culture of how we do our work to provide equal access to all those we serve and to meet our poverty reduction goals.

Legislative Changes

Some policy changes have already been made which could 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.

[Substitute House Bill 2441](#) (Chapter 338, Laws of 2020) will provide families more time to cure a sanction of their TANF/SFA grant due to non-compliance sanction. Starting in 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 ample opportunity to overcome barriers and reengage before required termination. This change will result in fewer reductions and terminations of grants for non-compliance sanction overall, and more opportunity for families to resume participating and for staff to find new strategies to assist them in doing so.

[Second Substitute Senate Bill 6478](#) (Chapter 320, Laws of 2020) will expand the definition of homelessness starting in July 2021. 2SHB 1603 added homelessness to the hardship criteria for a TLE. This bill aligns the definition of homelessness with the federal [McKinney-Vento Act definition of homeless](#). This expanded definition will provide more opportunity for households to meet the criteria for a time limit extension.

Continued 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 lean into the discomfort, increase their awareness of unconscious bias, and focus on providing support to those we serve. REDI culture has already provided a foundation for this work to build on.

Changes in practice requiring administrative review of all TLE denials has already been implemented. The addition of using automation to generate letters to improve communication with clients as they near their time limit is already in process. CSD will continue to examine ways in which, through automation or changes in practice, continued improvements can be achieved.

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, the department is incorporating foundational training for all staff into regular staff meetings in fall 2020. A new integrated assessment for TANF clients is planned for winter 2021.

Further Recommendations

CSD believes that 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 changes have already been instituted in policy, practice, and culture. Efforts have been made to streamline the TLE process, as follows:

- Updates to training materials for staff around medical time limit extension hardships
- Developed a process for the Supervisory review to ensure proper determination of time limit extension denials
- Temporarily expanded TLE hardship category to include all applicants during COVID-19 emergency if they did not meet any other TLE categories

The criteria for TLE extensions are narrow and perhaps the policies themselves contribute to the potential disproportionality. For example, documented disability is one of the 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. During the COVID-19 pandemic, administrative policy changes have temporarily relaxed the criteria for a TLE. Due to current public health conditions, all applicants who are unable to provide documentation of meeting an existing TLE hardship category can qualify for a COVID-19 hardship TLE.

Additionally, long-staying clients on TANF/SFA could be contacted earlier to make more timely referrals to help address barriers to employment, and to assess and document whether they meet extension criteria well ahead of reaching the 60 month TANF time limit. Clients are currently contacted at month

56-58 to assess for time limit extension. This change in practice would require increased staff time as CSD would be assessing barriers and TLE criteria with a larger number of long-staying clients.

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 Latino 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.