

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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Economic Services Administration
Community Services Division
PO Box 45440
Olympia, WA 98504-5440
(360) 725-4888

TABLE OF CONTENTS

Statutory Requirement	3
Background	3
Washington Policy and Practice Evolution Since 2019	4
Latest Findings from State Fiscal Year 2023	7
Recent Efforts to Further Explore or Reduce Disparate Impact of TANF Policies	11
Recommendations for Consideration	12
Appendix A: Legislative Changes to Time Limit and Sanction Policy	14

STATUTORY REQUIREMENT

RCW [74.08A.265](#), amended by [Second Substitute Senate Bill 6478 \(Chapter 320, Laws of 2020\)](#), requires the Department of Social and Health Services (DSHS) to produce an annual report of disaggregated data identifying the race of individuals whose Temporary Assistance for Needy Families (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, DSHS must describe the steps it is taking to address and remedy the racial disproportionality.

BACKGROUND

In 2018 and 2019, DSHS' Economic Services Administration (ESA)'s Management Accountability and Performance Statistics (EMAPS) and Research and Data Analysis staff began examining TANF/State Family Assistance (SFA) data, exploring whether disproportionality in application of both the time limit extension and sanction policies existed. A disproportionate impact of time limit policy on Black and Native American families was found. Compared to all TANF clients, Black and Native American clients were disproportionately more likely to experience a time limit related closure of benefits or, if reapplying for benefits, have their application denied based on not meeting time limit extension criteria.¹ At that juncture, no statistically significant racial disproportionality was seen with application of TANF/SFA sanction policy.

In September 2019, ESA's Community Services Division (CSD) presented these [findings](#) during a House Human Services and Early Learning committee work session and discussed its efforts to better understand and work towards eliminating these disparities. The following year, [Second Substitute Senate Bill 6478](#) required DSHS to produce an annual report on disproportionality in time limit and sanction policy.

CSD continues to examine why time limit disproportionality exists and options for eliminating it. This analysis includes reviewing processes, case audits, and specialized workgroups to understand deeper root causes. 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. Since 2019, practice changes have occurred to address implicit bias, and the legislature has adopted and funded policy to mitigate the disproportionate impact of TANF policy. DSHS also adopted an [agency-wide initiative](#) to become an antiracist, equitable and transformational organization, including establishment of an Office of Equity, Diversity, Access and Inclusion to oversee those efforts.

¹Source: 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. - *A comparison of clients terminated or denied a TANF time limit extension in SFY 2017 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 limit¹. Some, but not all, of the disproportionality was associated with higher likelihood of adults in this demographic reaching the 60-month time limit.*

WASHINGTON POLICY AND PRACTICE EVOLUTION SINCE 2019

Note: In response to the COVID-19 pandemic, in April 2020, CSD suspended time limits and participation requirements/sanctions. Participation requirements/sanctions restarted September 2021. Time limits were enforced once again as of July 2023.

Time Limit Policy

Federal law places a 60-month time limit on federally funded TANF benefits for an adult in their lifetime. Adults may qualify for an extension to this time limit, based on criteria established by the state. As an adult recipient approaches the 60-month limit, the department works with them to determine if they are eligible for an extension on aid. To qualify for a time limit extension, the recipient must provide documentation that they meet at least one time limit extension criteria.

Since 2019, there have been major practice and policy changes shifting the state's time limit policy to focus on preventing unconscious bias in DSHS actions and allowing greater access to TANF for families:

- Beginning in June 2019, CSD required all time limit extension denials to have a supervisory review. This second layer of review intends to prevent unconscious bias in determinations.
- Effective July 2019, [Second Substitute House Bill 1603](#) expanded reasons for extending a family's time on aid beyond 60 months to include homelessness.²
- Starting in April 2020, broad extensions to aid were temporarily allowed for all families to provide basic safety net support during the unstable health and economic conditions of the COVID-19 pandemic. State budgets adopted in 2021 and 2022 supported this policy, extending TANF cash assistance to families who didn't meet any of the prevailing time limit extension criteria.³ **This broad policy ended, effective July 2023, correlating with the end of the public health emergency.**
- Effective July 2021, [Second Substitute Senate Bill 6478](#) broadened the definition of homelessness for the purpose of extending time on aid to align with the federal McKinney-Vento definition. It 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 homeless themselves.
- Effective July 2022, [Second Substitute Senate Bill 5214](#) allowed additional time on aid for individuals who received TANF during the height of the COVID-19 pandemic, when the Washington unemployment rate was greater than or equal to 7%.⁴
- Effective July 2023, [House Bill 1755](#) allowed additional time on aid for individuals with over 60 months of TANF when the unemployment rate is 7% or higher, per the most recently published data available through the Employment Security Department.

² ESA-EMAPS Assignment #5412 using the ACES Data Warehouse, Sept. 2021 load - [A previous legislative report](#) included findings showing that expansion of homelessness time limit extension criteria was beneficial for Black/African American and American Indian/Alaska Native clients, as these groups are more likely to receive homelessness related time limit extensions compared to other subgroups.

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

⁴ This policy wasn't accessed by families until the COVID-19 broad time limit extension policy ended, July 2023.

- Effective July 2023, [Second Substitute House Bill 1447](#) eliminated the time limit for households with parents who are themselves ineligible for aid, due to receipt of SSI, their legal status, or immigration status.⁵

While the reasons for extending time on aid have expanded since 2019⁶, there are many families who still face termination from assistance due to time limits.

TANF time limit policy is driven by federal statute. A state may incur a financial penalty if more than 20% of its federally funded TANF caseload is composed of cases with adult recipients who continue to receive benefits beyond 60 months. It should be noted that Washington state did not enforce a time limit for TANF prior to February 2011, and that was also functionally the case during the COVID-19 pandemic, until July 2023. Washington has no history of exceeding the federal 20% cap noted above. It is unlikely that the state would exceed the federal cap if policy makers broadened the time limits exemption criteria permanently.

As noted above, federal TANF time limit policy only applies to adult recipients. Dependent children within TANF families do not have a time limit on assistance per federal law. While federal law prohibits a state from leveraging TANF federal funds to continue aid to families who do not qualify for a time limit extension and/or aid to families beyond the 20% cap on time limit extensions, it does not prohibit a state from leveraging state funds to continue to support families with aid beyond 60-months.⁷

A number of states have flexed beyond federal policy to continue to support families, including:

- **Washington DC**, which provides assistance to the entire family beyond 60-months without need to assess whether an extension is appropriate.⁸
- **California**, which provides a safety program to families by continuing aid for children in the household, reducing the family's grant only by the parent(s)/adult(s) share when the family exceeds 60-months on CalWORKs (California's implementation of TANF).⁹

Sanction Policy

CSD case managers connect parents and caregivers to education, job training and employment opportunities through WorkFirst. DSHS' [sanction policy](#) reduces and then eventually terminates TANF benefits when an adult required to participate in WorkFirst:

⁵ In a [previous legislative report](#), households with an ineligible parent were disproportionately households of color (Hispanic and Latino children were particularly overrepresented among those losing TANF/SFA benefits due to this policy). Passage of this legislation helped mitigate disparities for these families.

⁶ Current criteria for extending time on TANF assistance:

- Being 55 years of age or older and a caretaker relative.
- Disabled 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 or more per week in unsubsidized work.
- Homeless or caring for a homeless child (McKinney-Vento definition of unhoused).
- Involved in first time child dependency with the child welfare system.
- Received TANF on or after March 1, 2020 while the unemployment rate was over 7%.
- If state is currently experiencing an unemployment rate over 7%.

⁷ [42 U.S.C. 608 \(a\)\(7\)\(A\), \(B\), and \(F\); Policy Basics: Temporary Assistance for Needy Families | Center on Budget and Policy Priorities \(cbpp.org\)](#)

⁸ [Washington DC TANF State Plan](#)

⁹ [CalWORKs Program Fact Sheet, All County Letter 20-113](#)

- 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 participating, 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.

Since 2019, major temporary and permanent policy changes have occurred in Washington state to broaden safety net support for families:

- Effective July 2019, [Second Substitute House Bill 1603](#) eliminated a family from becoming permanently disqualified from TANF after three sanction related terminations from aid.¹⁰
- In response to the COVID-19 pandemic, from April 2020 – September 2021, participation requirements and the sanction process were temporarily suspended for WorkFirst.
- Effective July 2021, [Substitute House Bill 2441](#) lengthened the amount of time a family could be in a reduced grant due to sanction, prior to facing complete termination from assistance. Now, after two consecutive months of non-compliance, 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 within 10 months, cash assistance for the entire family is terminated.¹¹
- Effective July 2023, [Second Substitute House Bill 1447](#) expanded the definition of good cause reasons for failure to participate in the WorkFirst program to include any hardship that would reasonably prevent program participation, as defined by DSHS.

While Washington state’s sanction policy has made progress towards better supporting families experiencing poverty since 2019, it continues to be stricter than what is required by federal law. 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 the family’s entire 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. In addition, federal law dictates the reduction must be at least a ‘pro rata’ share of the total grant amount (discussed above in this section). Currently, Washington goes beyond this by reducing the grant by the ‘pro rata’ amount or 40%, whichever is **more**.¹²

A number of other states have taken a more supportive approach to this policy, by lessening the destabilizing effect grant reduction/termination can have on a family:

- **Oregon** recently eliminated full-family sanctions/terminations. Now 75% of a family’s TANF cash benefit is designated for the children in the household and is not subject to reduction when the adult/parent is facing sanction. This means only 25% of the grant is subject to penalty, at maximum.

¹⁰ 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* – Data shows all clients benefitted from this change, though Black/African American and American Indian/Alaska Native populations particularly benefitted, as they had previously lost access to TANF/SFA at a higher rate compared to other populations due to permanent disqualification.

¹¹ WorkFirst participants became subject to this updated sanction policy upon resumption of participation requirements, September 2021.

¹² [WAC 388-310-1600](#)

- **Connecticut** eliminated full-family sanctions/terminations, effective July 2022, per legislative action.¹³
- **California** for many years has not imposed full-family sanctions/terminations and does not apply the time limit on aid to adults in sanction status.¹⁴ This requires additional state funding to support families with sanctioned adults that exceed the TANF federal time limit of 60-months.

Additional Supportive Practice Changes

Since 2019, CSD has piloted a tool for equity analysis called the Multidimensional Equity Analysis (MDEA), using it to examine the TANF time limit extension process. This pilot documented potential bias in this process. In response, CSD has:

- Facilitated trainings and discussions to mitigate possible unconscious bias.
- Established a respect, equity, diversity, and inclusion (REDI) ambassador campaign to help staff connect ESA poverty reduction goals to their daily work, and educate staff on the importance of routinely monitoring for bias in their daily work.
- Introduced the MDEA tool to staff involved in policy analysis, and leveraged it for specific process improvement workgroups on topics of EBT services, fraud referral, and initial engagement redesign.

DSHS has engaged in a similar equity analysis process for all agency legislative and funding requests (decision packages), driven by the Office of Financial Management and the Governor’s Office, with training provided to staff in policy, budget, and other roles. In addition, CSD applied strategies to support consistent, client-centered and strengths-based case management, including:

- Foundational training delivered to all staff on the impacts of poverty and racism, and ways we can adapt our practices to be more empathetic and effective with those we serve (*throughout 2021*).
- Implementation of a new trauma-informed and client-centered evaluation and assessment tool to support initial engagement of WorkFirst program participants (*September 2021*).

LATEST FINDINGS FROM STATE FISCAL YEAR 2023

Impact of Time Limits

As previously noted, in response to the COVID-19 pandemic, TANF time limit extension policies were broadened in an effort to support all families experiencing continued financial hardship. In July 2023, the majority of time limit policies returned to pre-COVID-19 requirements. This meant that time limit extension determinations resumed and some families, for the first time since early 2020, have faced termination from cash assistance due to the TANF time limit on aid. Thousands of families are projected to be terminated from assistance between now and March of 2024 due to current time limit policy.

Table 1 compares the race and ethnicity of TANF/SFA recipients (adults and children) in cases that have at least one adult recipient to all TANF/SFA recipients (adults and children) in cases closed due to time limit policy, effective July 1, 2023.

¹³ Connecticut State Legislation - [Senate Bill 286](#)

¹⁴ California Regulations – [Eligibility and Assistance Standards Manual 42-721, 42-302.115](#)

Table 1: Race and Ethnicity Breakdown of TANF/SFA Clients on Adult Recipient Cases, Compared to Clients whose Case Closed Due to the Time Limit, June 2023¹⁵

		Total Clients in TANF/SFA Adult Recipient Cases		TANF/SFA Clients Whose Case Closed Terminated Due to the Time Limit ¹⁶			
		# of Clients	% Clients	# of Clients	% Clients	Risk ¹⁷	Risk Ratio ¹⁸
Number of Clients¹⁹		67,539	100.0%	1,541	100.0%	2.3%	1.00
Ethnicity and Race	Hispanic or Latino	14,438	21.4%	370	24.0%	2.6%	1.12
	Not Hispanic or Ethnicity Not Reported	53,101	78.6%	1,171	76.0%	2.2%	0.97
	White	31,096	46.0%	631	40.9%	2.0%	0.89
	Black/African American	8,939	13.2%	275	17.8%	3.1%	1.35
	Asian/Pacific Islander	4,823	7.1%	74	4.8%	1.5%	0.67
	American Indian/Alaska Native	2,221	3.3%	63	4.1%	2.8%	1.24
	Two or More Races	2,196	3.3%	73	4.7%	3.3%	1.46
	Race Not Reported	3,826	5.7%	55	3.6%	1.4%	0.63

Black/African American clients are 13.2% of all June 2023 TANF/SFA clients but 17.8% of those whose cases have been terminated. Similar patterns exist with American Indian/Alaska Native and clients with two or more races, who are both 3.3% of all June 2023 TANF/SFA clients but 4.1% and 4.7%, respectively, of those whose cases have been terminated. **This shows that following resumption of the time limit policy, Black/African American clients and other historically marginalized groups (e.g. American Indians/Alaska Natives and multiracial clients) continued to disproportionately lose access to TANF due to time limit requirements.**

As of July 2023, cases with time limit extensions represent 11% of the caseload, down from a high of 13.5% in February and March 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 stayed fairly steady over the past year. The number of households in extension was 4,113 in July 2022 and 3,484 in July 2023.²⁰ There is some preliminary indication of a downward trend, starting in July 2023, which is assumed to be a result of the resumption of time limit enforcement effective July 1, 2023. **In summary, from March 2020 through July 2023, households with time limit extensions have not reached more than 13.5% of the overall caseload – far from the 20% cap on federal/state funded cases.²¹**

¹⁵ Source: ESA-EMAPS Report #5946 using the ACES Data Warehouse, Aug. 2023 load. 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. These time limit related terminations were effective July 1, 2023.

¹⁶ These clients' last month of receipt was June 2023, and their cases were terminated as of July 1, 2023 due to time limit (Reason Code 229). Eff. April, 2020, DSHS expanded TANF/SFA 60-month time limit extension criteria to support families experiencing hardships due to COVID-19. Families who exhausted 60 months on TANF/SFA were not terminated from or denied benefits. This policy ended June 30, 2023.

¹⁷ 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.

¹⁸ 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%.

¹⁹ Clients includes adult and child recipients.

²⁰ EMAPS Report M138 TANF Extension Report July 2023 V2.

²¹ Refer to **Washington Policy and Practice Evolution Since 2019, Time Limit Policy** section of this report for information on the federal TANF time limit cap.

Impact of Sanctions

As noted above, the temporary suspension of TANF WorkFirst participation requirements ended and sanctions resumed as of September 2021 – with legislatively adopted changes to the sanction timeline.²² Grant reductions began in late 2021, and starting in November 1, 2022, households that did not cure their sanction within 10 months after reduction had their cash assistance completely terminated.

Table 2 compares the race and ethnicity of TANF/SFA recipients (adults and children) in cases that have at least one adult recipient to all TANF/SFA recipients (adults and children) in cases with sanction related reduced grants.

Table 2. Race and Ethnicity Breakdown of TANF/SFA Clients on Adult Recipient Cases, Compared to Clients with Reduced Grant Due to Sanction, July 2022 - June 2023²³

		Total Clients in TANF/SFA Adult Recipient Cases		Total Clients with Grant Reduced Due to Sanction ²⁴			
		# of Clients	% Clients	# of Clients	% Clients	Risk ²⁵	Risk Ratio ²⁶
Number of Clients²⁷		122,566	100.0%	14,491	100.0%	11.8%	1.00
Ethnicity and Race	Hispanic or Latino	25,830	21.1%	3,239	22.4%	12.5%	1.06
	Not Hispanic or Ethnicity Not Reported	96,736	78.9%	11,252	77.6%	11.6%	0.98
	White	56,806	46.3%	6,743	46.5%	11.9%	1.00
	Black/African American	15,500	12.6%	1,938	13.4%	12.5%	1.06
	Asian/Pacific Islander	9,191	7.5%	835	5.8%	9.1%	0.77
	American Indian/Alaska Native	4,051	3.3%	800	5.5%	19.7%	1.67
	Two or More Races	4,145	3.4%	482	3.3%	11.6%	0.98
	Race Not Reported	7,043	5.7%	454	3.1%	6.4%	0.55

While 3.3% of all clients on cases with adult recipients are American Indian/Alaska Native, 5.5% of clients on cases with reduced grants are American Indian/Alaska Native. American Indian/Alaska Native clients' risk of having their grants reduced due to sanction is 67% higher than the risk for all clients. Note that only cases with adult recipients are subject to sanction. **This shows that American Indian/Alaska Native clients are disproportionately affected by grant reduction due to sanction.**

²² [Substitute House Bill 2441 \(Chapter 338, Laws of 2020\)](#)

²³ Source: ESA-EMAPS Report #5946 using the ACES Data Warehouse as of the August 2023 load. 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.

²⁴ Clients are considered sanctioned if their TANF/SFA case's benefit was reduced due to sanction. The sanction policy for WorkFirst was modified July 1, 2021 (See WAC 388-310-1600). See **Washington Policy and Practice Evolution Since 2019, Sanction Policy** section of this report for more information.

²⁵ 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.

²⁶ 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%.

²⁷ Clients includes adult and child recipients.

Table 3 compares the race/ethnicity of all TANF/SFA recipients (adults and children) in cases with at least one adult recipient, to TANF/SFA recipients (adults and children) whose case closed due to non-compliance sanction.

Table 3: Race and Ethnicity Breakdown of TANF/SFA Clients on Adult Recipient Cases, Compared to Clients whose Case Closed Due to Non-Compliance Sanction, July 2022 - June 2023²⁸

		Total Clients in TANF/SFA Adult Recipient Cases		Total Clients Whose Case Closed Due to Non-Compliance Sanction ²⁹			
		# of Clients	% Clients	# of Clients	% Clients	Risk ³⁰	Risk Ratio ³¹
Number of Clients³²		122,566	100.0%	1,786	100.0%	1.5%	1.00
Ethnicity and Race	Hispanic or Latino	25,829	21.1%	367	20.5%	1.4%	0.98
	Not Hispanic or Ethnicity Not Reported	96,737	78.9%	1,419	79.5%	1.5%	1.01
	White	56,808	46.3%	903	50.6%	1.6%	1.09
	Black/African American	15,500	12.6%	272	15.2%	1.8%	1.20
	Asian/Pacific Islander	9,191	7.5%	58	3.2%	0.6%	0.43
	American Indian/Alaska Native	4,051	3.3%	94	5.3%	2.3%	1.59
	Two or More Races	4,144	3.4%	57	3.2%	1.4%	0.94
	Race Not Reported	7,043	5.7%	35	2.0%	0.5%	0.34

While 3.3% of all clients on cases with adult recipients are American Indian/Alaska Native, 5.3% of clients with cases terminated due to non-compliance sanction are American Indian/Alaska Native. American Indian/Alaska Native clients' risk of having their grants terminated due to non-compliance sanctions is 59% higher than the risk for all clients. The patterns are similar, though not as pronounced for Black/African American clients. Black clients have a 20% higher risk of being on a case that is terminated based on non-compliance sanction. **This shows that Black/African American and, to a greater extent, American Indian/Alaska Native clients are disproportionately affected by cash benefit termination due to sanction.**

²⁸ Source: ESA-EMAPS Report #5946 using the ACES Data Warehouse as of the August 2023 load. 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.

²⁹ Clients are considered to be sanctioned if their TANF/SFA case's benefit was reduced due to sanction. The sanction policy for WorkFirst was modified July 1, 2021 (See WAC 388-310-1600). See **Washington Policy and Practice Evolution Since 2019, Sanction Policy** section of this report for more information. TANF/SFA cases terminated due to a non-compliance sanction have the 252 reason code associated with the termination.

³⁰ 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.

³¹ 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%.

³² Clients includes adult and child recipients.

RECENT EFFORTS TO FURTHER EXPLORE OR REDUCE DISPARATE IMPACT OF TANF POLICIES

DSHS continues to respond with policy and practice changes and recommendations to promote equity in public assistance. DSHS is committed to incorporating equity, diversity, and inclusion into the culture of how we do our work to provide equitable access to everyone we serve and to meet our poverty reduction goals.

Time Limit Related Efforts

- Supervisory reviews of time limit extension denials to ensure proper determinations became supported by automation within CSD's case management system during the COVID-19 pandemic. This process with automation support began to once again be used with resumption of time limits, impacting staff determinations starting May 2023 (with these determinations impacting client benefits starting July, 2023).
- Effective July 2023, per [Second Substitute House Bill 1447](#), TANF/SFA time limits were eliminated for ineligible parents who care for a child. This means these households can continue to receive cash assistance benefits until the child ages out of assistance or the household no longer meets eligibility criteria for TANF/SFA.³³
- Proposed DSHS request legislation to allow for any family still experiencing financial hardship when they reach 60 months on TANF/SFA to have their time on aid extended. This would apply to households if they are unable to qualify for any other time limit extension criteria. This proposed approach allows for households who reach the time limit on aid and still face financial hardship to continue to receive critical safety net support through TANF/SFA. This approach completely eliminates the disparate impact of time limit policy on any population served, in particular those noted above.

Sanction Related Efforts

Sanction related findings indicate a continued trend where American Indian/Alaska Native families were found to be more likely to have their benefits reduced, terminated or denied due to sanctions. As a result, CSD:

- Shared these finding with tribal leaders via letter and engagement with the Indian Policy Advisory Committee (IPAC) ESA subcommittee, in fall 2022.
- Partnered with ESA's Division of Program Integrity (DPI) to further research impact of the policy on this specific population and across all populations in sanction status. DPI's examination revealed a substantial occurrence of procedural errors within the sanction process, spanning all ethnicity groups.
- Provided information to interested community parties, partners and tribal leadership on this research with goals to engage these groups in a dialogue on how to better support both American Indian/Alaska Native families as well as all TANF/SFA families who struggle with participation in WorkFirst.
- Is conducting further root cause analysis of DPI's research with the goal of improving monitoring, staff accountability, participant outreach measures, and staff training, in collaboration and consultation with tribal community leaders across the state.

³³ Per ESA Assignment # 5946 - "Race and Ethnicity for Clients on TANF/SFA Child-Only Cases with an Ineligible Parent and Clients on TANF/SFA Child-Only Cases with an Ineligible Parent and a COVID-19 Time Limit Extension, June 2023": *In June 2023, while 53.3% of children on child-only TANF/SFA cases with an ineligible parent were Hispanic or Latino, 94.8.% of children on child-only TANF/SFA cases with an ineligible parent and a COVID-19 time limit extension were Hispanic or Latino. If the ineligible parent time limit had not been eliminated, Hispanic and Latino children were likely to have been overrepresented among those losing access to TANF/SFA benefits.*

Broader Efforts

- CSD continues to expand opportunities for staff to increase their awareness of unconscious bias by focusing 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. In particular, a revamped ‘culture training’ is under development and set to deploy in late 2023/early 2024. This training will help bolster staff’s understanding of poverty dynamics, with the goal of continuing to increase awareness and empathy, and ensuring additional hurdles are not intentionally or unintentionally created for those served by CSD programs. It covers topics such as executive functioning skills, NEAR science, Anti-Bias, and trauma informed approach, with an overall focus on positive communication.

RECOMMENDATIONS FOR CONSIDERATION

Allow all families who meet eligibility criteria continued access to assistance beyond 60 months.

Washington has no history of exceeding the federal 20% cap on federally funded TANF assistance delivered after 60-months of time on aid, and it is unlikely the state would exceed the federal cap if policy makers broadened the time limit extension criteria permanently to allow families still facing financial hardship to continue to receive assistance beyond 60-months. As described in the ***Latest Findings from State Fiscal Year 2023, Impact of Time Limit Policy Section*** above, when DSHS temporarily eliminated the TANF/SFA time limit during the COVID-19 pandemic, at no time was the 20% cap exceeded, or even approached. In addition, the disparities in time limit extension practice found before, and now surfacing once again with resumption of time limits, were essentially eliminated.

Further, the narrow nature of current time limit extension criteria may also contribute to potential disproportionality. In regards to the disability time limit extension criteria, some racial and ethnic groups have less access to medical care creating barriers to obtaining necessary documentation to support extending time on aid.³⁴ Adopting a broad time limit extension policy would eliminate this well-documented disparity in health outcomes and access.

Ultimately, the pandemic response has shown that **the simplest and most complete solution to disproportionality in time limit extension practice is for policy makers to consider functionally removing time limits from the program.** This could be done through statutory changes to expand extension criteria to encompass all families that reach their TANF time limit. Washington made a small step in this direction this year by eliminating time limits for ineligible parents. Should approaching the federal 20% cap become a risk, the state could commit state funds to supporting this population. As an alternative, a safety net approach could be explored where families who reach 60-months on TANF/SFA and do not qualify for an extension continue to receive benefits for only children in the home.

³⁴ There is extensive literature on racial inequities and access to health care, including [Key Data on Health and Health Care by Race and Ethnicity | KFF](#), [Understanding and Addressing Racial Disparities in Health Care - PMC \(nih.gov\)](#), [Racism and Health | Minority Health | CDC](#), [Reducing disparities in health care | Causes of health disparity | AMA \(ama-assn.org\)](#).

Lengthen or eliminate TANF/SFA terminations related to sanction.

Federal law asserts that states must reduce or terminate TANF cash benefit for failure to comply with participation requirements. Washington state goes beyond the federal requirement by reducing and then terminating a family's cash benefit when the client does not comply with participation requirements.

To improve access to TANF and reduce the likelihood of disproportionality in sanction closures, policy makers should consider **eliminating case terminations, or full-family sanctions, due to non-compliance with WorkFirst participation requirements**. There is little evidence that such sanctions assist families in leaving poverty³⁵, and there is clear evidence that the current Washington sanction policy has inequitable impact, disproportionately affecting Black/African American families, and, to a greater extent, American Indian/Native Alaskan families. In addition, **policy makers could also consider reducing the financial penalty for sanctioned cases as well, to only the 'pro rata' federal minimum**, in order to mitigate the destabilizing force of sanction related grant reductions.

If this approach is considered, the appropriate level of DSHS engagement and associated resources dedicated to sanctioned households must also be determined. Without capacity to provide support and ongoing outreach to offer these families access to services and activities, Washington could run risk of allowing particularly vulnerable families who may be facing extreme barriers and hardships (e.g. family violence, mental/emotional health challenges) to linger in sanction indefinitely. A robust monthly contact/outreach approach would be ideal to ensure support is offered.

It should be noted that this type of approach could impact Washington state's Work Participation Rate, which is the only current federal TANF measure that carries a penalty if not met. DSHS currently employs a number of strategies to mitigate incurring these penalties.³⁶

Continue dialogue with tribal leaders in order to improve service for American Indians/Native Alaskans.

Continue engagement and dialogue with IPAC through the ESA subcommittee around how sanction policy and process is impacting American Indians/Native Alaskans within Washington state. Leverage information from the root cause analysis currently in process on the sanction process to support this dialogue and partner to develop with additional strategies for how to support this population.

Explore offering additional, regular contact with TANF families to offer resource support and referrals.

Continue to explore whether additional, more regular CSD staff outreach to TANF/SFA families should be offered to enable more timely referrals, help address barriers to employment, and assess and document whether a family may meet time limit extension criteria well ahead of reaching the TANF time limit³⁷. This also supports families in avoiding the destabilizing effect of sanction, if/when participation is a challenge. This level of outreach would require additional staff time and clear staff guidance on purpose of this outreach. With this type of proactive engagement, CSD would not want lack of response from families to result in them entering the sanction pathway.

³⁵ [A Roadmap to Reducing Child Poverty | The National Academies Press](#)

³⁶ For more information, see the WorkFirst Maintenance of Effort and Work Participation Rate [Report](#), published quarterly (e.g. [2022, Fourth Quarter Report](#)).

³⁷ Clients are currently contacted at month 56-58 to assess for time limit extension.

APPENDIX A: LEGISLATIVE CHANGES TO TIME LIMIT AND SANCTION POLICY

Below is a list of legislative changes to TANF time limit and sanction policy since 2019, which were geared towards improving client access and program equity.

- [Second Substitute House Bill 1603](#) (Chapter 343, Laws of 2019), effective July 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 populations access TANF.
- [Substitute House Bill 2441](#) (Chapter 338, Laws of 2020) effective July 2021, eliminated immediate terminations for non-compliance, allowed participants two months of non-compliance prior to grant reduction, and allowed an additional ten months of non-compliance while receiving a reduced grant to provide opportunities to overcome barriers and reengage before required termination. This provides an additional safety net for families and more opportunity to resume engagement in WorkFirst participation.
- [Second Substitute Senate Bill 6478](#) (Chapter 320, Laws of 2020), effective July 2021, expanded the definition of homelessness to match that of the federal [McKinney-Vento Act](#). 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) effective July 2022, allowed additional time on aid for individuals who received TANF during the height of the COVID-19 pandemic, when the Washington unemployment rate was greater than or equal to 7%.
- [House Bill 1755](#) (Chapter 334, Laws of 2022) effective July 2023, allows additional time on aid for individuals with over 60 months of TANF when the unemployment rate is 7% or higher, per the most recently published data available through the Employment Security Department.
- [2022 Supplemental Operating Budget: Engrossed Substitute Senate Bill 5693](#) (Chapter 297, Laws of 2022) effective July 1, 2022, through June 30, 2023, funded continued post-pandemic time limit extensions.
- [Second Substitute House Bill 1447](#) (Chapter 418, Laws of 2023) effective July 1, 2023, removed the 60-month time limit for TANF households with an ineligible parent. Ineligible parents who meet all other financial eligibility criteria can continue to receive a TANF grant for their child as long as they meet financial eligibility criteria despite time on aid. Ineligible parents are defined as parents ineligible for TANF due to receipt of SSI, legal status or immigration status. It also expanded the definition of good cause reasons for failure to participate in the WorkFirst program to include any hardship(s) that would reasonably prevent program participation, as defined by DSHS.