

Benefit Cliff Mitigation in WASHINGTON

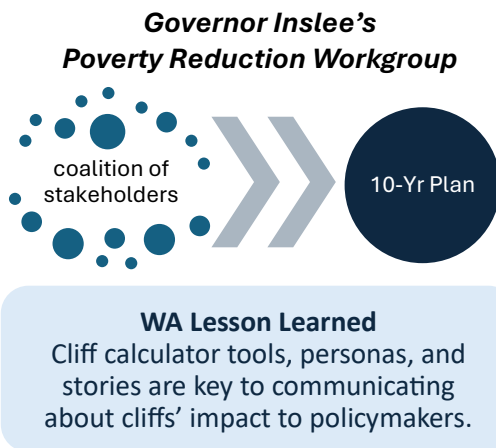
THE SPARK

Intention to mitigate benefit cliffs in Washington State developed over time through a growing recognition of the challenges faced by Washingtonians striving for economic stability. One of the biggest sparks that equipped the state to begin making sincere efforts to tackle cliffs was former Governor Inslee's creation of the Poverty Reduction Work Group, which aimed to dismantle poverty through a comprehensive 10-year plan. The cross-sector work group highlighted the detrimental effects of benefit cliffs on economic mobility and stability and emphasized the need for systemic change.

INITIATIVES

Poverty Reduction Work Group

Launched in 2017, this work group was tasked with developing a strategic plan to reduce poverty and inequality in Washington. The group, co-led by the Department of Social and Health Services (DSHS), the Employment Security Department (ESD), and the Department of Commerce, brought together a diverse coalition of stakeholders, including state agencies, community organizations, and individuals with lived experience of poverty. The work group produced the "[10-Year Plan to Dismantle Poverty](#)," which includes eight strategies and 60 recommendations aimed at creating a just future for all Washingtonians.



Self-Sufficiency Calculator and Related Policy Changes

University of Washington developed a [self-sufficiency calculator](#) to define the income working families need to meet a minimum yet adequate level, taking into account family composition, ages of children, and geographic differences in costs. This tool was part of a broader effort to align income thresholds and benefit levels with the actual cost of living, as defined by the Self-Sufficiency Standard.

TANF and SNAP Enhancements

The state expanded asset limits and removed family size caps for TANF, and expanded transitional food assistance. The state also created a tiered TANF earned income disregard: the first \$500 of earned income is fully disregarded; above that initial \$500, 50% of earned income is disregarded. These changes were aimed at reducing immediate financial impact on families as earnings increased.

Expanded Medicaid Coverage and Integrated Access

Washington extended Medicaid coverage through state-funded subsidies and implemented an integrated eligibility system that helps families maintain coverage as income rises, reducing coverage gaps and extending affordable options to those ineligible for traditional Medicaid, including through the state exchange. Together they ensure smoother transitions and broader access to care.

Child Care Policy Change

Recognizing that child care costs are a significant cliff for many families, Washington implemented a tiered approach to child care subsidies, aligning income thresholds with state median earnings and gradually increasing copays. This initiative was part of the Fair Start for Kids Act, which aims to make child care more affordable and accessible.

Child Support Pass-Through Policy Change

Understanding the importance of cash to families, Washington implemented the state option to pass-through child support collected on behalf of TANF families to TANF families, passing through \$50 for one child and \$100 for two or more children. In 2024, WA passed legislation to allow for 100% of collected support to pass-through to families; implementation was delayed until 2029.

"Economic Security for All" Program

This program, administered by ESD and implemented by Workforce Development Councils, provides stipends and benefits navigation support to help families move above the 200% federal poverty level. It includes job retention supports and aims to mitigate the impact of benefit cliffs by providing a more gradual transition off of assistance.

FINER DETAILS

Funding

The initiatives were funded through a combination of state and federal resources, philanthropic support, and innovative funding models. The Poverty Reduction Work Group initially relied on TANF administrative funds and grants from organizations like the Annie E. Casey Foundation and the Kresge Foundation. The Fair Start for Kids Act and other legislative measures provided additional state funding. The Economic Security for All program leveraged local community dollars to match federal WIOA discretionary funds, reducing the financial burden on the state.

Key Collaborators

Washington's success in advancing these initiatives was due in large part to the collaborative efforts of multiple stakeholders. The Poverty Reduction Work Group brought together representatives from various state agencies, including the Department of Social and Health Services (DSHS), the Employment Security Department, and the Department of Children, Youth, and Families. The group also included state legislators, advocates, community organizations, and individuals with lived experience of poverty. This broad coalition ensured that the initiatives were informed by diverse perspectives and had widespread support.

The state's approach to mitigating benefit cliffs has been characterized by a commitment to data-driven decision-making, stakeholder engagement, and a focus on long-term economic stability for families. By addressing the structural barriers that create benefit cliffs, Washington is paving the way for more sustainable economic opportunities for all its residents.

TIMELINE

Washington can trace these redesign efforts all the way back to 2008:

