

SENATE BILL REPORT

SB 6397

AS REPORTED BY COMMITTEE ON COMMERCE & LABOR, FEBRUARY 6, 1992

Brief Description: Creating the Washington work opportunities program.

SPONSORS: Senators Matson, Talmadge, Snyder, Murray, Anderson, Amondson, Skratek and Conner

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 6397 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Matson, Chairman; Anderson, Vice Chairman; Bluechel, McCaslin, McDonald, and McMullen.

Staff: Forrest Bathurst (786-7429)

Hearing Dates: February 5, 1992; February 6, 1992

BACKGROUND:

The Employment Partnership Program (EPP) is presently administered in Washington State by the Department of Social and Health Services (DSHS) through a contract for services with the Employment Security Department. The program is available to eligible participants on a volunteer basis in Whatcom and Pierce counties.

The EPP enables grants to be used as a wage subsidy to encourage potential employers to hire applicants or recipients of aid to families with dependant children.

In addition to EPP, the WINN program, FIP, and others have used similar concepts to make more jobs available to eligible participants.

SUMMARY:

The Washington Work Opportunities Program is created. The program is administered by the Washington State Department of Social and Health Services (DSHS) through a contract for services with private sector vendors. The program's stated goal is to foster job training, provide a productive workforce, and encourage financial independence from public assistance.

Participation is limited to applicants for or recipients of aid to families with dependent children.

The private vendors are required to: 1) recruit employers that agree to hire participants after they have successfully

completed preemployment orientation and on-the-job training, 2) serve as a resource for potential employers seeking trained employees, 3) recruit potential employees from the eligible population, 4) provide an orientation to prospective employees prior to participation in the program, 5) pay the wages of employees for the first four months of employment at state minimum wage or above, and 6) provide once weekly support services that insure the employees work is satisfactory.

Payments to private vendors are made in the following increments: 1) two-thirds when the employee is hired and placed on the employer's payroll, and 2) one-third when the employee has remained on the job for two months.

EFFECT OF PROPOSED SUBSTITUTE:

"Employee" is redefined to include recipients of aid to families with dependent children and targeted populations identified in the federal Family Support Act of 1988, P.C. 100-485.

"Vendor" is redefined to include private nonprofit and for profit entities.

Private vendors are paid one third of their fee when an employee reaches month four of employment.

The Department of Social and Health Services is directed to issue a request for proposal to carry out the act no later than July 1, 1992.

Appropriation: unspecified

Revenue: none

Fiscal Note: requested January 29, 1992

TESTIMONY FOR:

The program promises to work more aggressively and cost effectively than a state agency.

TESTIMONY AGAINST:

State agencies deliver employment services to participants in similar programs, such as EPP, for much less than a private sector firm.

TESTIFIED: CON: Ann Blalock; Ned Dolejsi, Catholic Conference; Lonnie Johns-Brown, NASW/NOW; Robert Lokama, DSHS; Bev Hermanson, Jeff Johnson, WA Fed. of State Employees State Labor Council; PRO: Ginny Gilder, Washington Works; David Weitl, NW Realty Advisor's Inc.; Marnie Hartung, Seattle Community Youth Risk; Mary Ann Heeren, Dain Bosworth