

4 On page 15, on line 2 of the amendment, insert the following:

5 NEW SECTION. **Sec. 27** Unless the context clearly requires
6 otherwise, the definitions in this section apply throughout this
7 chapter.

8 (1) "Board" means the Washington full employment act advisory board
9 established in section 5 of this act.

10 (2) "Department" means the department of social and health
11 services.

12 (3) "Participants" means recipients and noncaretaker parents of aid
13 to families with dependent children, food stamps, or unemployment
14 insurance.

15 (4) "Pilot program" or "program" means the Washington full
16 employment act pilot program established in section 2 of this act.

17 (5) "Washington full employment act" means the Washington full
18 employment pilot program established in section 2 of this act.

19 NEW SECTION. **Sec. 28** (1) In establishing and implementing a pilot
20 program to be known as the Washington full employment act, it is the
21 intent of the legislature to utilize the benefits of the job
22 opportunities and basic skills program (JOBS) to promote greater
23 economic self-sufficiency among families and workers by:

24 (a) Requiring all recipients and unemployed noncaretaker parents of
25 aid to families with dependent children, and recipients of food coupons
26 to participate in the program;

27 (b) Increasing the employability of participants who are unemployed
28 and underemployed workers through on-the-job training;

29 (c) Increasing the ability of the public and private sector to work
30 together to develop jobs;

31 (d) Ensuring that participants improve their work skills,
32 education, and employability through worksite training, mentoring, job
33 placement, and necessary support services that include child care,
34 transportation, and health care; and

1 (e) Guaranteeing that participation in the Washington full
2 employment act does not result in reductions of net income to
3 participants.

4 (2) The Washington full employment act is created as a three-year
5 pilot program in which residents of five selected counties shall, in
6 lieu of receiving payments from the aid to families with dependent
7 children program and coupons under the food stamp program, be provided
8 jobs that promote self-sufficiency and encourage independence from
9 public assistance.

10 (3) Recipients of unemployment insurance in the pilot counties also
11 may be offered employment under the program.

12 NEW SECTION. **Sec. 29.** The governor and the department shall seek
13 all exemptions and waivers from and amendments to federal statutes,
14 rules, and regulations necessary to implement the program at the
15 earliest possible date.

16 NEW SECTION. **Sec. 30.** (1) Upon obtaining all such exemptions,
17 waivers, and amendments referred to in section 3 of this act, the
18 department, with the advice of the board, shall adopt changes to
19 current rules as may be required to implement the program.

20 (2) The department, with the advice of the board, shall amend the
21 state plans for the aid to families with dependent children program,
22 the job opportunities and basic skills program, and the food stamp
23 program to incorporate the programs into the Washington full employment
24 act program for the pilot counties, and shall obtain federal approval
25 of plan amendments.

26 (3) The department, with the advice of the board, shall obtain any
27 exemptions and waivers from federal statutes and regulations necessary
28 to qualify the program as a federally approved demonstration project
29 under section 1115 (42 U.S.C. Sec. 1315) of the Social Security Act and
30 section 17 (7 U.S.C. Sec. 2026) of the Food Stamp Act.

31 (4) The purpose of this section is to facilitate implementation of
32 the pilot program at the earliest possible date and with maximum
33 federal financial participation. Therefore, the department is directed
34 to expedite the acquisition of federal waiver and amendment approvals,
35 and the adoption of necessary statute amendments in close and
36 continuous coordination with appropriate federal officials, and to
37 prepare and submit completely and in a timely manner all forms and data

1 required by those officials. The department, with the advice of the
2 board, is authorized to make such changes to the program as are
3 necessary to achieve federal waiver approval. Any such changes should
4 be, in the judgment of the secretary of the department, the fewest
5 necessary to achieve federal approval for the program. Such changes
6 must maintain the general purpose and effect of the program described
7 in section 2 of this act. If changes to the program required to gain
8 waiver approval would be too extensive to maintain the general purpose
9 and effect of the program, the department, with the advice of the
10 board, shall seek the amendments to federal statutes that are required
11 for implementation of the pilot program.

12 (5) The counties for the pilot program shall be chosen by the
13 department with the assistance of the advisory board.

14 NEW SECTION. **Sec. 31.** (1) The Washington full employment act
15 advisory board is established to advise the department in the direction
16 and administration of the pilot program. The board shall have seven
17 members, consisting of five representatives of the business community,
18 one employed former recipient of the aid to families with dependent
19 children program, the food stamp program, or the unemployment insurance
20 program, and one labor representative. Members shall serve three-year
21 terms. The governor shall appoint the members and the chair.

22 (2) It is the intent of the legislature that the board shall meet
23 monthly with the assistant secretary for economic services
24 administration within the department.

25 (3) The board shall report at least annually to the governor and
26 the legislature on the status and progress of the pilot program in
27 meeting program goals and legislative intent. The chair of the board
28 shall have the additional duty to work with and coordinate the local
29 councils created in section 6 of this act.

30 NEW SECTION. **Sec. 32.** A Washington full employment act
31 implementation council shall be established in each pilot county listed
32 in section 4 of this act to assist the Washington full employment act
33 advisory board and the department in the administration of the
34 Washington full employment act and to allow local flexibility in
35 dealing with the particular needs of each pilot county. Each council
36 shall be primarily responsible for recruiting and encouraging
37 participation of employment providers in the county. Each council

1 shall be composed of seven members who shall be appointed by the county
2 commissioners in each pilot county. Councilmembers shall be residents
3 of the pilot county in which they are appointed and shall serve three-
4 year terms. The council shall have one member who is a current or
5 former recipient of the aid to families with dependent children
6 program, the food stamp program, or the unemployment insurance program,
7 one member who represents labor, and five members who represent the
8 local business community.

9 NEW SECTION. **Sec. 33.** (1) The Washington full employment act
10 special fund is created in the state treasury separate and distinct
11 from the general fund. Moneys in the fund may be spent only after
12 appropriation and shall be used exclusively to meet the necessary
13 expenses of the program. The fund shall be held and administered by
14 the state treasurer.

15 (2) All funds appropriated for expenditure by or apportioned to the
16 department for operation of the aid to families with dependent children
17 program, the job opportunities and basic skills program, the food stamp
18 program, and employment-related day care in the pilot counties shall
19 accrue to the fund.

20 (3) All income earned on moneys in the fund shall be credited to
21 and deposited in the fund to the extent permitted by state and federal
22 law.

23 (4) Expenditures from the fund shall include pilot program wage
24 reimbursements to participating employers, aid to families with
25 dependent children cash grants, food stamp allotments, Washington full
26 employment act payments, and employment-related day care payments to
27 eligible residents of the pilot counties and administrative costs
28 directly associated with the operation of the pilot program. At the
29 end of the three-year pilot program, expenditures from the fund shall
30 not exceed accruals to the fund.

31 (5) No less than quarterly, the department shall meet with the
32 board to review the cost-effectiveness of the program and shall take
33 any necessary action to modify or suspend the program to maintain cost
34 neutrality.

35 (6) The individual education account is established in the
36 Washington full employment act special fund in order to improve the
37 position of Washington full employment act participants in the work
38 force by increasing their access to continuing education. Employer

1 contributions to the account under section 8(10) of this act shall be
2 used to pay for further education.

3 (7)(a) There is hereby created the Washington full employment act
4 unemployment wage fund. Such fund shall consist of moneys collected or
5 received by the employment security department.

6 (b) The Washington full employment act unemployment wage fund is
7 created in the state treasury, separate and distinct from the general
8 fund.

9 (c) All income earned on moneys in the Washington full employment
10 act unemployment wage fund invested by the state treasurer shall accrue
11 to the fund. Any balance in the fund shall not lapse at any time.
12 Moneys in the fund may be spent only after appropriation to the
13 economic services administration of the department for the payment of
14 wages and wage-related expenses of participants in the Washington full
15 employment act who were otherwise eligible to receive unemployment
16 insurance benefits. Such payments shall be made in the form of a
17 reimbursement to the department, which shall be the central
18 disbursement point for all employer-related financial transactions
19 under the provisions of this chapter. Contribution rates are based on
20 the counties selected by the department.

21 (8) The economic services administration of the department is
22 authorized to continue to make reimbursements as necessary from the
23 Washington full employment act unemployment wage fund for a period not
24 to exceed six months following the end of the three-year pilot program
25 authorized under this chapter.

26 (9) In administering the fund, and consistent with other provisions
27 of the pilot program and to the extent permitted by federal law, the
28 department shall maximize the use of federal grants and apportionments
29 of the aid to families with dependent children program, the job
30 opportunities and basic skills program, the food stamp program, and
31 employment-related child care.

32 (10) To the extent that additional moneys may be obtained for the
33 program from sources other than state tax revenues, the additional
34 moneys shall be appropriated to the fund.

35 NEW SECTION. **Sec. 34.** (1)(a) The department shall adopt by rule
36 a method to determine which employers, including public and private
37 sector employers, within this state shall have the opportunity to
38 utilize pilot program participants. The department shall give priority

1 in assigning pilot program participants to those employers located in
2 the five pilot counties identified in section 4 of this act. No
3 employer is required to participate in the Washington full employment
4 act. In the event that there are unassigned participants whom no
5 employer desires to utilize, they may be assigned to work for a public
6 agency.

7 (b) The department by rule may:

8 (i) Establish criteria for excluding employers from participation
9 for failure to abide by pilot program requirements or other
10 demonstrated unwillingness to comply with the stated intent of the
11 program;

12 (ii) Provide that employers that have shown a pattern of
13 terminating participants prior to the completion of training without
14 cause shall be ineligible to receive additional participants.

15 (2) The department shall assign in priority order individuals
16 eligible for the pilot program who are:

17 (a) Two-parent families who are receiving aid to families with
18 dependent children benefits;

19 (b) Single adults and caretaker relatives who are receiving aid to
20 families with dependent children benefits;

21 (c) Unemployed noncaretaker parents of children who are receiving
22 aid to families with dependent children benefits;

23 (d) Adult food stamp program recipients except as described in
24 subsection (6)(b) (iv) and (vi) of this section; and

25 (e) Unemployment compensation recipients.

26 (3) The department shall ensure that jobs made available to pilot
27 program participants shall:

28 (a) Not require work in excess of forty hours per week;

29 (b) Be in conformity with section 3304(a)(5) of the Federal
30 Unemployment Tax Act;

31 (c) Not be used to displace regular employees nor to fill unfilled
32 positions previously established; and

33 (d) Not pay a wage that is substantially less than the wage paid
34 for similar jobs in the local economy with appropriate adjustments for
35 experience and training.

36 (4) Failure of the participant to cooperate with the requirements
37 of the Washington full employment act shall result in the participant's
38 removal from the Washington full employment act and the removal of the

1 needs of the adult or adults from the grant in accordance with
2 Washington full employment act rules.

3 (5)(a) Individuals desiring work through the pilot program shall
4 contact the nearest economic services administration office of the
5 department serving the pilot county in which they reside if they are
6 aid to families with dependent children program or food stamp program
7 applicants or recipients. Unemployment insurance applicants or
8 recipients shall gain access to the pilot program through their local
9 employment security department office.

10 (b) With input from the participant, case workers shall prepare an
11 employment development plan designed to assist the participant in
12 removing barriers to employment, acquiring work skills, and obtaining
13 unsubsidized employment. The case worker shall periodically review the
14 employment development plan and assess participant progress in
15 accordance with rules for the Washington full employment act.

16 (c) With the assistance of the local council and the board, the
17 department shall develop a job inventory of sufficient size to
18 accommodate all of the participants who desire to work in the program.
19 In consultation with the participant, the department shall try to match
20 the profile of a participant with the needs of an employer when
21 assigning a participant to work with the employer.

22 (d) Either the employer or the participant may terminate the
23 assignment by contacting the appropriate department office. In such
24 event, the department shall reassess the needs of the participant and
25 assign the participant to another Washington full employment act
26 placement or another Washington full employment act component and, at
27 the employer's request, provide the employer with another participant.

28 (e)(i) If after six months in a placement, a participant has not
29 been hired for an unsubsidized position, the employer shall allow the
30 worker to undertake eight hours of job search per week. Participating
31 employers shall consider such time as hours worked for the purposes of
32 paying wages.

33 (ii) If after nine months in a placement, a participant has not
34 been hired for an unsubsidized position, the placement shall be
35 terminated, and the case worker shall reassess the participant's
36 employment development plan.

37 (6)(a) Assignment of participants to available jobs shall be made
38 first by employing nonworking parents of children receiving aid to

1 families with dependent children, food stamp recipients, or
2 unemployment compensation recipients, in that order.

3 (b) Pilot program jobs shall not be offered to the following groups
4 of persons, irrespective of the priority referred to in (a) of this
5 subsection:

6 (i) Teenage custodial parents working to receive their general
7 education development certificate or high school diploma;

8 (ii) Persons determined by department rule to require substance
9 abuse treatment prior to job placement;

10 (iii) Persons determined by department rule to be permanently or
11 temporarily incapacitated and persons who are primary caregivers to
12 such persons;

13 (iv) Food stamp applicants or recipients who are employed full time
14 or are food stamp eligible college students enrolled full time in an
15 institution of higher education or enrolled half time in an institution
16 of higher education and working at least twenty hours per week;

17 (v) Teenage persons who have not received a general education
18 development certificate or high school diploma;

19 (vi) Food stamp recipients in the pilot counties who are eligible
20 for supplemental security income benefits or other ongoing state or
21 federal maintenance benefits based on age or disability;

22 (vii) Persons for whom suitable child care arrangements are
23 necessary but not available; and

24 (viii) Persons who would be required to commute for more than one
25 hour each way without access to public or employer-sponsored
26 transportation, in accordance with Washington full employment act
27 rules.

28 (c) Unemployment compensation recipients may be referred to
29 available work through the Washington full employment act if the
30 qualifying base year wages used to establish the claim do not exceed
31 ten thousand dollars. If referred, unemployment compensation
32 recipients shall be referred to the Washington full employment act in
33 accordance with the job referral process used to refer applicants to
34 available work. When a pilot program job is offered to an unemployment
35 insurance recipient and the job is refused, the employment security
36 department shall investigate the refusal and identify and decide all
37 issues arising from the refusal, including suspension of benefits.

38 (d) Aid to families with dependent children and food stamp benefits
39 shall be suspended at the end of the calendar month in which an

1 employer makes the first wage payment to a participant who is a
2 custodial parent in a family that receives aid to families with
3 dependent children or to any adult member of a household receiving food
4 stamps.

5 (7)(a) Employers shall pay all participating individuals at least
6 the hourly rate of the Washington minimum wage.

7 (b) Sick leave, holiday, and vacation absences shall conform to the
8 individual employer's rules for new employees.

9 (c) Group health insurance benefits shall be provided by the
10 employer to pilot program participants if, and to the extent that,
11 state or federal law requires the employer to provide such benefits.

12 (d) All persons participating in the Washington full employment act
13 shall be considered to be temporary employees of the individual
14 employer providing the work and shall be entitled only to benefits
15 required by state or federal law.

16 (e) Employers shall provide workers' compensation coverage for each
17 Washington full employment act participant.

18 (8) In the event that the net monthly full-time wage paid to a
19 participant would be less than the level of income from the aid to
20 families with dependent children program and the food stamp benefit
21 amount equivalent that the participant would otherwise receive, the
22 department shall determine and pay a supplemental payment as necessary
23 to provide the participant with that level of net income. The
24 department by rule shall adopt an equivalency scale to be adjusted for
25 household size and other factors. The purpose of this equivalency
26 scale is to ensure that participants are not economically
27 disadvantaged, in terms of net income, by accepting a job under the
28 pilot program. The department shall determine and pay in advance
29 supplemental payments to participants on a monthly basis as necessary
30 to ensure equivalent net pilot program wages. Participants shall be
31 compensated only for time worked.

32 (9) In addition to, and not in lieu of the payments provided for
33 under subsections (7) and (8) of this section, participants shall be
34 entitled to retain the full child support payments collected by the
35 department.

36 (10)(a) After the participant has participated in the Washington
37 full employment act for thirty days, in addition to the participant
38 wage, the employer shall pay one dollar for each participant hour
39 worked into the participant's individual education account.

1 Contributions to such an account shall be tax deferred or tax exempt to
2 the extent permitted by federal and state law. This contribution shall
3 not be reimbursed by the Washington full employment act special fund
4 except as provided in (b) of this subsection. The employer may provide
5 individuals with additional training and education at the employers
6 expense without any effect on the individual's education account.

7 (b) If the employer hires a participant in an unsubsidized position
8 for at least one hundred twenty days, the Washington full employment
9 act special fund shall reimburse one-half of the employer's
10 contribution to the individual education account to the employer. This
11 reimbursement shall not be subject to chapter 82.04 RCW.

12 (c) Any participant for whom an individual education account
13 contribution is made shall be eligible for access to education benefits
14 from that participant's individual education account at any time after
15 the participant has left the Washington full employment act and has
16 held a full-time, unsubsidized job for at least thirty days.

17 (d) When any participant has qualified for use of that
18 participant's individual education account, an amount equal to that
19 participant's individual education account balance shall be transferred
20 for that participant's use. Only one individual education account
21 shall be created for any participant. Each account shall be
22 administered by the employment security department and shall be used
23 for continuing education and training in any of the state's community
24 colleges or institutions of higher education for the participant and
25 the participant's immediate family.

26 (11) Pilot program participants who are eligible for federally and
27 state-funded medical assistance at the time they enter the pilot
28 program shall remain eligible as long as they continue to participate
29 in the pilot program. In conformity with existing state and federal
30 employment-related child care program regulations, child day care shall
31 be provided for all pilot program participants who require it.

32 (12) Washington full employment act employers shall:

33 (a) Endeavor to make Washington full employment act placements
34 positive learning and training experiences;

35 (b) Maintain health, safety, and working conditions at or above
36 levels generally acceptable in the industry and no less than that of
37 comparable jobs of the employer;

38 (c) Provide on-the-job training to the degree necessary for the
39 participants to perform their duties;

1 (d) Recruit volunteer mentors from among their regular employees to
2 assist the participants in becoming oriented to work and the workplace;
3 and

4 (e) Sign an agreement for each placement outlining the specific job
5 offered to the participant and agreeing to abide by all requirements of
6 the pilot program, including the requirement that the pilot program not
7 supplant existing jobs. All agreements shall include provisions noting
8 the employer's responsibility to repay reimbursements in the event the
9 employer violates pilot program rules.

10 (13) Pilot program participant wages shall be subject to federal
11 and state income taxes, social security taxes, and unemployment
12 insurance tax or reimbursement as applicable, which shall be withheld
13 and paid in accordance with state and federal law. Supplemental
14 payments made pursuant to subsection (8) of this section, to the extent
15 allowed by federal law, shall not be subject to federal income taxes
16 and social security taxes.

17 (14)(a) The department shall reimburse employers for the employer
18 share of social security, unemployment insurance, and workers'
19 compensation premiums paid on behalf of pilot program participants, as
20 well as the minimum wage earnings paid to pilot program participants by
21 the employer from the Washington full employment act special fund.

22 (b) If the department finds that an employer has violated any of
23 the rules of the Washington full employment act, the department:

24 (i) Shall withhold any amounts due to employers under (a) of this
25 subsection;

26 (ii) May seek repayment of any amounts paid to employers under (a)
27 of this subsection.

28 (15) The existing Washington full employment act shall continue in
29 the pilot counties and serve those currently eligible for Washington
30 full employment act services who have not been placed in a Washington
31 full employment act job.

32 NEW SECTION. **Sec. 35.** If approval is obtained from the federal
33 government during the three-year pilot program established in this
34 chapter, the department may distribute food stamp program benefits to
35 any eligible person in the five pilot counties in the form of cash
36 rather than coupons.

1 NEW SECTION. **Sec. 36.** (1) Six months prior to the completion date
2 of the three-year test period of the pilot program, the department
3 shall submit a written report to the legislature and the governor
4 containing a full and complete analysis of the pilot program. The
5 report shall include recommendations from the department and the board
6 regarding appropriate revisions to the pilot program and the potential
7 for its permanent implementation for the entire state.

8 (2) The evaluation of the pilot program shall be conducted by an
9 independent evaluator using a combination of group comparison, survey
10 and individualized event and attitude recording techniques.
11 Performance in attaining pilot program goals in each pilot county shall
12 be matched against performance using the traditional welfare and
13 employment characteristics. In addition, the composite performance of
14 the five pilot counties shall be compared to the rest of the state.
15 The evaluation shall include measurements of whether program
16 participation has improved the quality of life of program participants.
17 In addition, as a part of the evaluation of the Washington full
18 employment act, the employment security department shall determine
19 whether the pilot program has displaced unsubsidized employment
20 opportunities that would otherwise have been available and whether the
21 pilot program has had any discernible impact on the economies or wage
22 levels in individual pilot counties.

23 (3) The target goals for the program are to reduce the Washington
24 full employment act eligible aid to families with dependent children,
25 food stamp, and unemployment compensation caseloads in the pilot
26 counties by fifty percent by the end of the third year of the pilot
27 program, and to reduce the costs associated with these caseloads by
28 twenty-five percent over the three-year pilot period.

29 (4) Twelve months after the beginning of the Washington full
30 employment act, the department shall present to the legislature a
31 report on the cost neutrality projections of the pilot program. If it
32 appears that the pilot program is not likely to achieve cost neutrality
33 over the course of the three-year pilot period, the department shall
34 also present a plan to modify or suspend the pilot program.

35 NEW SECTION. **Sec. 37.** In the event that the department is not
36 able to obtain the necessary exemptions, waivers, or amendments
37 referred to in section 3 of this act prior to January 1, 1997, this act
38 shall expire on that date and shall have no further force or effect.

1 Any unexpended and unobligated moneys remaining in the Washington full
2 employment act unemployment wage fund on that date may not be spent and
3 are subject to legislative appropriation.

4 NEW SECTION. **Sec. 38.** The appointment of the members of the board
5 and the establishment of the Washington full employment act
6 implementation council shall occur within sixty days after the
7 effective date of this act.

8 NEW SECTION. **Sec. 39.** A new section is added to chapter 82.04 RCW
9 to read as follows:

10 Amounts received under section 8(10)(b) of this act are not subject
11 to tax under this chapter.

12 NEW SECTION. **Sec. 40.** Sections 1 through 12 of this act shall
13 constitute a new chapter in Title 74 RCW.

14 NEW SECTION. **Sec. 41.** If any part of this act is found to be in
15 conflict with federal requirements that are a prescribed condition to
16 the allocation of federal funds to the state, the conflicting part of
17 this act is inoperative solely to the extent of the conflict and with
18 respect to the agencies directly affected, and this finding does not
19 affect the operation of the remainder of this act in its application to
20 the agencies concerned. The rules under this act shall meet federal
21 requirements that are a necessary condition to the receipt of federal
22 funds by the state.

--- END ---

EFFECT: Adds the Washington Full Employment Act as a 2 year 5 county
pilot program for recipients of AFCD, Food Stamps and UI.