

**SENATE BILL REPORT**

**ESHB 1197**

**AS REPORTED BY COMMITTEE ON WAYS & MEANS, APRIL 14, 1993**

**Brief Description:** Allowing families to retain a greater percentage of income before public benefits are reduced or terminated.

**SPONSORS:** House Committee on Human Services (originally sponsored by Representatives Leonard, Cooke, Riley, Flemming, Valle, Brown, G. Cole, Mielke, Voloria, Wineberry, Dorn, Anderson, J. Kohl, Karahalios, H. Myers, Vance, Ogden, King, Jones, Eide, Johanson, R. Meyers, Cothorn, Roland, Holm, Wolfe, Franklin, Thibaudeau, Springer, Basich, Kremen, Foreman, Kessler, Campbell, Dunshee, Lemmon, Linville and Pruitt)

**HOUSE COMMITTEE ON HUMAN SERVICES**

**HOUSE COMMITTEE ON APPROPRIATIONS**

**SENATE COMMITTEE ON HEALTH & HUMAN SERVICES**

**Majority Report:** Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Talmadge, Chairman; Wojahn, Vice Chairman; Deccio, Franklin, McAuliffe, Moyer, Niemi, Prentice, and Winsley.

**Staff:** Joanne Conrad (786-7472)

**Hearing Dates:** March 22, 1993; April 2, 1993

**SENATE COMMITTEE ON WAYS & MEANS**

**Majority Report:** Do pass with amendments to Committee on Health & Human Services amendments.

Signed by Senators Rinehart, Chairman; Spanel, Vice Chairman; Bauer, Hargrove, Jesernig, Niemi, Owen, Pelz, Quigley, Snyder, Sutherland, Talmadge, Williams, and Wojahn.

**Staff:** Mary Poole (786-7472)

**Hearing Dates:** April 5, 1993

**BACKGROUND:**

Concern exists that families receiving public assistance are discouraged from family formation and obtaining paid employment by structural barriers in the way benefits are determined. In addition, new technologies, such as Electronic Benefit Transfer (EBT), are thought to be a more cost-effective and psychologically beneficial way to deliver assistance. Many of the concepts underlying assessment,

education and training, job placement, and support services, such as child care for poor families, are being re-evaluated.

Throughout America, states are taking a new look at public assistance programs. An ongoing dialogue about "welfare reform" is taking place at the federal and state level. As part of this process, a group of legislators, public assistance recipients, state agency staff, social services advocates and academics examined Washington's public assistance programs, in a statewide series of meetings and hearings in the summer of 1992. The Family Independence Program (FIP) was evaluated, and barriers to adequate employment for public assistance families were discussed.

From this process, legislation, including ESHB 1197, was developed.

#### **SUMMARY:**

The legislative intent underlying public assistance programs is stated to include the concepts that assistance be temporary, and that disincentives to work be overcome. The value of welfare-to-work programs, employment, training, education and child care services is emphasized.

The "one-hundred hour work rule," which limits two-parent AFDC-E (Aid to Families with Dependent Children-Employable) households from working more than 100 hours per month without losing benefits is eliminated.

The department (DSHS) shall determine the most appropriate living situation for AFDC "head of household" recipients under 18 years old. Appropriate living situations may include a parent or relative's home, supervised group living, or independent living. The appropriateness will be evaluated using a set of relevant factors indicating commitment to education, employment and financial responsibility.

A study of the use of Electronic Benefit Transfer technology is required, with a report back to the Legislature by December 1994.

The department is allowed to replace food stamps with the cash equivalent for eligible individuals ("food stamp cash-out").

Statutory language is clarified to permit children under 18 living with a court-appointed legal guardian to receive assistance.

The department may provide grants to community action and non-profit organizations for job and basic skills training, transitional support services, "one-to-one assistance," and "job retention services."

The J.O.B.S. Program, being implemented to supersede FIP, should contain certain specified elements.

The department shall design an implementation program for AFDC recipients, identifying their subgroups, and prioritizing services for various population segments with a focus on job training, workforce preparation, and job retention.

The department, in developing the implementation program, shall consider employment incentive; community work; limited duration services; segmentation of the recipient population; appropriate assessment and matching of services for individuals; contracts with recipients; training and education for "absent" parents; and other specified elements.

As a condition for receiving benefits, both parents of each child shall be listed on the application for assistance, when possible.

A Legislative Welfare Reform Task Force is established, to participate in the development and review of the implementation plan by the department, and in the formulation of new legislation.

**SUMMARY OF PROPOSED HEALTH & HUMAN SERVICES AMENDMENT:**

Retention of earned income and pilot program for Electronic Benefit Transfer are reinstated. AFDC benefits for certain 18 to 20-year old students are allowed. Some target group compliance with the J.O.B.S. program is made voluntary. The process for obtaining federal waivers is simplified. Other provisions affecting segmenting of recipients, assistance to children living with legal guardian, DSHS approval of most appropriate living situation and legislative welfare reform task force are deleted.

**SUMMARY OF PROPOSED WAYS & MEANS AMENDMENT:**

The striking amendment provides that earned income may be retained by AFDC recipients up to 55 percent of the state's need standard. DSHS is required to assist families of teenage heads of households who receive AFDC in locating appropriate living situations. The department is required to design a system to identify subgroups of AFDC recipients and match them with services, and prioritize assistance.

Sections of the bill with fiscal impact are made contingent on funding in the budget.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested March 19, 1993

**TESTIMONY FOR (Health & Human Services):**

Welfare needs to be reformed to provide better incentive to work. Electronic Benefit Transfer appears useful. Many advocates favor SHB 1197 over ESHB 1197.

**TESTIMONY AGAINST (Health & Human Services):** None

**TESTIFIED (Health & Human Services):** PRO: Bernice Morehead, DSHS; Gloria Wiedenhoeft; Gwen Orwiler; Cindy Franklin; Flaca Nash; Louise Batchelor; Kathy Morefield, Fair Budget Action Campaign; Lonnie Johns-Brown, N.O.W. and N.A.S.W.; Margaret Casey, WA State Catholic Conference and The Children's Alliance; Rose Stidham, Metropolitan Development Council

**TESTIMONY FOR (Ways & Means):**

The bill will eliminate existing barriers to people moving from welfare to work. Funds spent now will save money later. The child support disregard for food stamps provision will encourage AFDC single parent recipients to identify noncustodial parents, enabling the state's support enforcement efforts. If the bill does not receive funding this biennium, it is still critical because it will make a statement to the federal government about Washington's perspective on welfare reform.

**TESTIMONY AGAINST (Ways & Means):** None

**TESTIFIED (Ways & Means):** Representative Leonard, original prime sponsor; Bernice Morehead, DSHS (pro); Margaret Casey, The Children's Alliance (pro); Mary Murphy, League of Women Voters (pro); Ned Dolejsi, WSCC (pro); Lonnie Johns-Brown, NOW (pro)