

SENATE BILL REPORT

E2SHB 2798

AS REPORTED BY COMMITTEE ON WAYS & MEANS, MARCH 2, 1994

Brief Description: Making major changes to the welfare system.

SPONSORS: House Committee on Appropriations (originally sponsored by Representatives Sommers, Thibaudeau, Cooke, Peery, Silver, Dorn, R. Meyers, Talcott, Valle, Carlson, Dunshee, Linville, Rust, Ballasiotes, Sehlin, Jacobsen, Foreman, Wolfe, Wineberry, Mastin, G. Fisher, Grant, Campbell, Brough, L. Thomas, B. Thomas, Lisk, McMorris, Chandler, Wood, Schoesler, Sheldon, Rayburn, Kremen, Brumsickle, Holm, Roland, Pruitt, Jones, Flemming, Horn, Kessler, Long, Shin, Moak, Finkbeiner, Quall, Conway, Springer, Tate, Mielke and Johanson)

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, Fraser, Hargrove, McAuliffe, McDonald, Moyer, Niemi, Prentice, Quigley and Winsley.

Staff: Joanne Conrad (786-7472)

Hearing Dates: February 21, 1994; February 25, 1994

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Rinehart, Chairman; Quigley, Vice Chairman; Bauer, Bluechel, Cantu, Gaspard, Hargrove, Hochstatter, Ludwig, McDonald, Moyer, Owen, Pelz, Roach, Snyder, Spanel, Sutherland, Talmadge, West and Wojahn.

Staff: Steve Lerch (786-7474)

Hearing Dates: February 28, 1994; March 2, 1994

BACKGROUND:

There are many theories about how to achieve welfare reform and enable families to move off assistance. Some believe that improved family planning for teens, a more active approach to job placement, gradual reduction in grant assistance and more effective support enforcement may help to reduce welfare dependency.

SUMMARY:

The Office of the Superintendent of Public Instruction administers a program providing grants to schools for media campaigns promoting family planning, including abstinence.

The Job Opportunities and Basic Skills (JOBS) training program emphasizes the importance of work for AFDC recipients. In contracting for job placement services, the Department of Social and Health Services (DSHS) is encouraged to "structure" payments to the contractor on an unspecified performance basis.

Non-exempt recipients are required to participate in the JOBS program, as specified, with sanctions to ensure compliance.

The department offers services to both parents of an AFDC child, to prepare them for economic independence.

JOBS participants are expected to take any job, absent good cause, and may volunteer to work in child care facilities.

Job development services shall be incorporated into the JOBS program.

AFDC applicants under 18 years are required to live in a specified supportive living arrangement supervised by an adult, or else be subject to protective payee requirements.

Participants in the JOBS program receive a cash grant equal to the combined AFDC and food stamp benefit for which they qualify.

A formula establishes when a long-term recipient shall be subject to a 10 percent grant reduction.

The "100 hour rule" is eliminated, enabling working AFDC parents to keep more earned income.

DSHS makes substantial efforts to determine the identity of noncustodial parents, and reports support obligations to consumer reporting agencies.

SUMMARY OF PROPOSED HEALTH & HUMAN SERVICES AMENDMENT:

E2SHB 2798 and SHB 2359 are merged, with some changes in each, including: addition of performance standards and accountability measurements; increase of age of child from two to three years, for purposes of parental exemption from benefit reduction; encouragement for employers of recipients to provide financial assistance for vocational education by adding tax credit availability and requiring more information on availability of favorable tax treatment for employer participation in job development; enhancing AFDC children's savings accounts in trust for future educational needs; requiring DSHS to provide employment opening and JOBS program information to applicants for assistance; deleting teen parent living situation requirement, and replacing with current law,

modified to eliminate "independent living" as an option; requiring recipients to immunize preschoolers and obtain EPSDT "Well Baby Checkups;" eliminating reduction in food stamps as a sanction; establishing a Legislative Welfare Reform Task Force; deleting requirements and intent language regarding concentration of resources on "hardest to employ," and requiring DSHS to assess the extent to which many in this group may be more appropriately placed on federal SSI; targeting groups for assistance and level of services; clarifying DSHS responsibilities in maximizing federal matching funds for community action agencies under contract to provide JOBS program services; establishing a state advisory board of business, labor and recipient members, to monitor the JOBS program; requiring a pilot use of collection agencies to collect certain child support obligations; and requiring the office of support enforcement to equally pursue self-employed noncompliant persons with the same remedies as those who are employed by others.

SUMMARY OF PROPOSED WAYS & MEANS AMENDMENT:

E2SHB 2798 and SHB 2359 are merged, with some changes in each, including: recipients to be informed of transitional nature of welfare and expectation that they will become employed; family planning information and assistance to be provided to recipients; addition of performance standards and accountability measurements; emphasis on work experience and vocational education in the JOBS program; initial job search requirement for targeted groups with additional services for persons unsuccessful in obtaining employment; targeting and prioritizing groups for JOBS assistance and level of services; increase of age of child from two to three years, for purposes of parental exemption from mandatory JOBS participation; requiring more information on availability of favorable tax treatment for employer participation in job development; eliminating B&O reductions for employer payment of education-related expenses for their AFDC-recipient employees; "cashing-out" food stamps for all food stamp recipients; enhancing AFDC children's savings accounts in trust for future educational needs; revising teen parent living situation section to make clear that pregnant or parenting teens are to be in an appropriate, adult supervised living situation as determined by DSHS or be subject to protective payee provisions; extending the teen living situation provisions to pregnant teens receiving GA-S benefits; replacing the pilot use of collection agencies to collect certain child support obligations with a requirement that collection agencies be used for all "hard-to-collect" support obligations; requiring the Office of Support Enforcement to equally pursue self-employed noncompliant persons with the same remedies as those who are employed by others; eliminating immunization and EPSDT certification of children eligible for state social services; and linking local health department immunization assessment and enhancement proposals to the public health improvement plan initiated in health care reform.

Appropriation: none

Revenue: none

Fiscal Note: available

Effective Date: July 1, 1995 for Sections 6 and 8.

TESTIMONY FOR:

Welfare recipients would benefit from systemic changes enabling them to earn a living. JOBS program should be better utilized and incentives should be tried.

TESTIMONY AGAINST:

Persons on assistance need to earn self-sufficiency wages. Incentive measures can have the effect of penalizing poor children.

TESTIFIED: PRO: Representative Sommers, original prime sponsor; Representatives Cooke and Thibaudeau; CON: Tony Lee, WA Association of Churches; Ned Dolejsi, WA State Catholic Conference; Jean Colman, Welfare Rights Organizing Coalition; Barb McGinn; Liz Schott, Denise Reed, Evergreen Legal Services; Maureen Howard, WA State Coalition for Homeless; Lonnie Johns-Brown, NOW; Virginia Penn; NEUTRAL: Jerry Friedman, DSHS; Kit Hawkins, Metropolitan Development Council