

HOUSE BILL REPORT

HB 1079

As Reported By House Committee On:
Children & Family Services
Appropriations

Title: An act relating to personal responsibility.

Brief Description: Requiring personal responsibility.

Sponsors: Representatives Cooke, Bush, Dunn, McDonald, L. Thomas, Reams, Carrell, Buck, Radcliff, Mulliken, Sump, B. Thomas, Hickel, D. Schmidt, McMorris, Sheahan, Mitchell, Johnson, Lisk, Chandler, Talcott, Thompson, Clements, Backlund, Mastin, Koster, DeBolt, Carlson, D. Sommers, Boldt, Alexander, Schoesler, Sterk, Honeyford, Parlette, Sherstad, Smith, Mielke, Cairnes and Robertson.

Brief History:

Committee Activity:

Children & Family Services: 1/23/97, 1/24/97, 1/30/97 [DPS];

Appropriations: 2/12/97, 2/17/97 [DP2S(w/o sub CFS)].

HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Cooke, Chairman; Boldt, Vice Chairman; Bush, Vice Chairman; Ballasiotes; Carrell and McDonald.

Minority Report: Do not pass. Signed by 5 members: Representatives Tokuda, Ranking Minority Member; Kastama, Assistant Ranking Minority Member; Dickerson; Gombosky and Wolfe.

Staff: David Knutson (786-7146).

Background: Washington is required to implement federal welfare reform with the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). This federal legislation replaces the former welfare program for low-income families known as Aid to Families With Dependent Children (AFDC) with a new program called the Temporary Assistance for Needy Families (TANF) program.

The new federal welfare reform law fundamentally changes the way low-income families will receive assistance from the federal and state governments. The individual entitlement to assistance is ended and replaced with a maximum five years of assistance in a person's lifetime. A capped federal block grant is provided to the state in lieu of an uncapped federal funding formula based on the welfare caseload. Individuals receiving assistance under the new TANF program are required to work. States are required to suspend the drivers' licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support.

Congress stated the following goals for welfare reform as found in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996:

1. Provide states greater flexibility in assisting needy families;
2. End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing these pregnancies; and
4. Encourage the formation and maintenance of two-parent families.

Washington must submit a plan to the federal government detailing how the state will deliver services to low-income families through the new TANF program. The state must provide a 45-day comment period on the plan, and the plan must be in place no later than July 1, 1997. Former Governor Lowry submitted his TANF plan to the federal government on November 16, 1996. It went into effect on January 10, 1997. His plan maintains the welfare system in place prior to passage of federal welfare reform. If the Legislature and Governor Locke do not agree on an alternative to former Governor Lowry's plan, his TANF plan will stay in effect.

The Legislature has the authority to determine which options available under the federal law the state will exercise in developing a Washington TANF program. The options include such issues as eligibility standards, time limits, work participation requirements, sanctions for caretakers who do not comply with program requirements, grant payment amounts, support services such as child care and social services, family caps, requiring school attendance for teenage parents, teen pregnancy reduction programs, and denying assistance to unmarried teen parents.

Summary of Substitute Bill: Recipients of TANF may receive a maximum of 60 months of assistance in a person's lifetime. Up to 20 percent of the caseload may be exempted from the time limits based on federal law. The Department of Social and Health Services is required to meet federal work participation rates using allowable federal work activities. Adults in families receiving TANF are required to participate in work activities. The entitlement to public assistance is removed. Recipients of TANF are required to sign a contract and comply with its provisions as a condition of eligibility. Recipients of TANF may earn and keep the first \$120 and one-third of the

remainder without affecting their eligibility for TANF. Recipients may own a vehicle valued at \$5,000 and keep an additional \$3,000 in a savings account. The Department of Social and Health Services will operate a grant diversion program to keep people off the TANF program. The department will also operate a program creating individual development accounts to help recipients of TANF attend school, purchase homes for first-time home buyers, and capitalize business ventures. Applicants for TANF are required to identify both parents as a condition of eligibility. Grants provided to recipients shall be made on a prorata basis based on compliance with work requirements. The Department of Social and Health Services will determine the most appropriate living situation for TANF applicants under age 18, unmarried, and either pregnant or having a dependent child. If the applicant does not live in the appropriate setting and comply with other program requirements, they will not receive a cash payment. A process for suspending occupational, professional, recreational, and driver's licenses is established for parents who fail to pay child support or violate a residential or visitation order. The department is given the option to suspend or deny issuance of licenses of parents who are six months behind on their child support payments, or who have violated a residential or visitation order twice within three years. Prior to suspension or denial of a license, delinquent parents are given the opportunity to either contest the department's action, enter into a payment schedule with the department, or have their support order modified by a court or the department. The department may not suspend or withhold a license if they are able to collect a reasonable amount of a parent's arrears through another enforcement method. Tax registrations and certifications are not considered licenses that may be suspended for non-payment of child support. The Department of Licensing will distinguish between licenses suspended for noncompliance with a child support order and those suspended due to driving related infractions.

Substitute Bill Compared to Original Bill: Teen parents who are required to engage in education activities may attend approved alternative education programs. The Department of Social and Health Services will operate a grant diversion program to keep people off the TANF program. The department will also operate a program creating individual development accounts to help recipients of TANF attend school, purchase homes for first-time home buyers, and capitalize business ventures. Microcredit, microenterprise, and self-employment work opportunities are made available to recipients of TANF. Employment of recipients will not result in the displacement of current employees. Wages paid to recipients will be at usual and customary rates. Applicants for TANF are required to identify both parents as a condition of eligibility. Grants provided to recipients shall be made on a prorata basis based on compliance with work requirements. Tax registrations and certifications are not considered licenses that may be suspended for non-payment of child support. The Department of Licensing will distinguish between licenses suspended for noncompliance with a child support order and those suspended due to driving related infractions. The Office of Administrator for the Courts will report the number of licenses suspended for violation of residential and visitation orders. The Department

of Fish and Wildlife will suspend recreational licenses of individuals who do not comply with child support, visitation, or residential orders. Religious and charitable organizations can provide services to recipients of TANF on the same basis as any other nongovernmental organization.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill simply implements federal welfare legislation passed overwhelmingly by Congress last year. Individuals who receive assistance must take personal responsibility for themselves and their families. Community service providers are willing and able to help recipients of TANF become independent. Community service providers need additional resources and authority help provide needed services. If tribes choose to operate their own TANF program, Washington should supply state funds and provide necessary information, consultation, and assistance.

Testimony Against: Noncustodial parents who do not make child support payments should not have their occupational, professional, driver's, and recreational licenses suspended. Immigrants should not have public assistance denied to them. Washington should use state money to make up for federal benefits taken away from immigrants. There are not enough jobs in the economy to support all recipients of TANF.

Testified: Bill Wippel, Union Gospel Mission (pro); Leslie Miller-Erberich and Shirley Therrien, All Saints Parish (pro with concerns); Charlie Langdon, WACSAP and Advancing Solution to Adolescent Pregnancy (with concerns); Terry Anderson, parent (pro with concerns); Talea Langley, parent (pro with concerns); Peter W. Rose, Washington CASH (pro with concerns); Resa Hayes, citizen (with concerns); Bob Hayden, Washington Families (with concerns); Charles R. Kendall, Perigee (con); Elmira Forner, Catholic Community Services of Western Washington (pro); Peg Mazon, Children's Home (pro); Doreen Marchione, CAP agencies (pro); David Law, Northwest Women's Law Center and King County Bar Association (with concerns); Mark Publow, World Vision (pro); Jeff Kemp, Washington Family Council (pro); Linda Stone, Children's Alliance and Anti-Hunger Coalition (with concerns); Bill Harrington, American Fathers Alliance (pro); Joe Valentine, WSAC (with concerns); Ellen O'Brien Saunders, Workforce Training and Education Coordinating Board (with concerns); Nina Auerbach, Child Care Resources (with concerns); Elizabeth Thompson, Washington State Child Care Resource and Referral Network (with concerns); Diane Symms, Washington Restaurant Association (pro);

Susan Hahn, Cascade Diesel & Truck Repair (pro); Barbara English, Tacoma Head Start Parent Policy Council (pro and con); Bob Cooper, Food Lifeline and Washington Food Coalition (con); Mary Ponturdo, Washington Coalition Against Domestic Violence (with concerns); Carolie Graddon, Association for Children for Enforcement of Support (pro); Linda Jones, Tulalip Tribes (with concerns); James Armando, citizen (con); Tracey Vanderwall, Pierce County Parent Coalition (with concerns); Renee LeBar, teen parent (with concerns); Becky Craddock, Deaconess Children Services (with concerns); Bob Williams, Evergreen Freedom Foundation (pro); David Della, Commission on Asian-Pacific American Affairs (with concerns); Nien Thi Tran, recipient (con); Yoon Joo Han, Asian Counseling Referral Service (with concerns); Thanh Ngo, recipient (with concerns); Carrie Coppinger Carter, teen parent and WACSAP (con); Major Kurt Burger, Salvation Army (with concerns); Bill Sellars, ARC of Washington (pro); Jim Eddy, council member of city of Hoquiam (pro with concerns); Susan Crowley, City of Seattle (pro with concerns); Cynthia Slate, citizen (with concerns); Pat Thompson, WSCCCE (pro with concerns); Randy Parr, WFSE (pro with concerns); Jeff Johnson, WSLC (pro with concerns); Maxine Reigel, Radical Women (con); Denise Gayden, Neighborhood House (with concerns); Kimberly Farnes, Employment Opportunities Center (pro with concerns); Randy Scott, Quinalt Indian Nation (with concerns); Margo Fleshman and Bonnie Nelson, Washington Women's Employment and Education (with concerns); Roy Black Jr., Quileute Tribe (with concerns); John Lether, Lower Elwha Klallam Tribe (con); Cheryl Baker, parent (with concerns); Jodie Nathan, WACSAP and parent (with concerns); Amie Ramsey, parent (con); Andrea Shultz, citizen (con); and Greg Alex, Matt Talbot Center and Coalition for Community Renewal (with concerns).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Children & Family Services. Signed by 21 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; Benson; Carlson; Cooke; Crouse; Dyer; Grant; Kessler; Lambert; Linville; Lisk; Mastin; McMorris; Parlette; D. Schmidt; Sehlin; Sheahan and Talcott.

Minority Report: Do not pass. Signed by 10 members: Representatives H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Chopp; Cody; Keiser; Kenney; Poulsen; Regala and Tokuda.

Staff: Beth Redfield (786-7130).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Children & Family Services: The requirement

that recipients of TANF sign a contract as a condition for eligibility is eliminated. The promotion and support of teen pregnancy prevention is added to intent language. The Department of Health is directed to apply for federal abstinence education funds made available by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Legal immigrants residing in the United States prior to August 22, 1996, will retain eligibility for TANF, Medicaid and Social Services Block Grant programs. Deeming of sponsor's income will apply to these persons. In determining benefit levels for TANF, annual earned income will be prorated to determine monthly income. For legal immigrants residing in the U.S. prior to August 22, 1996, the Department of Social and Health Services (DSHS) is to establish a state-funded food assistance program, with benefit levels determined by the Legislature in the biennial operating budget. The DSHS shall facilitate naturalization for recipients of public assistance. Legal immigrants residing in the U.S. prior to August 22, 1996, will have their sponsor's income deemed available to them when determining benefit levels for TANF and GAU. Legal immigrants who enter the country after August 22, 1996, are ineligible for public assistance, with some exceptions, for five years, after which their sponsor's income will be deemed. The Legislature reaffirms its commitment to provide prenatal care to all immigrants, regardless of status. The DSHS is directed to establish a community jobs program for up to 5,000 recipients. The DSHS is directed to train 250 recipients to become child care providers. Child care resource and referral agencies are directed to provide priority service to TANF recipients and low-income working families. When determining benefit levels, the DSHS is directed to consider the entire amount of a family's income regardless of the citizenship status of the household member with earnings. For minor parents, the most appropriate living situation— shall not include residence with the adult father who is found to meet the elements of rape of a child. Technical changes are made to the license suspension part of the bill. The Family Security and Responsibility Program is created, a state-funded program which allows families with earnings to keep all child support collected on the families' behalf. The DSHS is directed to coordinate with Indian tribes that elect to operate a tribal TANF program. The Legislature shall specify the amount of state funds to be transferred to tribes for the administration of their programs. The Employment Security Department is authorized to share confidential wage information on participants in the TANF work program with the DSHS for purposes of evaluation of the program. Law enforcement officers requesting information from DSHS on fugitives are no longer required to furnish a warrant or subpoena.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 18, 1997.

Effective Date The bill contains an emergency clause and takes effect immediately.

Testimony For: The legislation focuses on work participation and self sufficiency. It is important to provide food assistance to legal immigrants. The state-only child support program will increase family income and provide an incentive to work. The integrated child care program and diversion program are important elements of the bill. The tribes require their share of state maintenance of effort funding to run their own programs.

Testimony Against: State employee representatives oppose contracting out language. There are not enough resources for charitable organizations to take on more responsibility for poor families. Federal reductions to the child care food and nutrition program have not been addressed.

Testified: Representative Suzette Cooke, prime sponsor; Representative Cathy Wolfe; Representative Jim Kastama; Karen Porterfield, The Salvation Army; Elizabeth Thompson, Washington State Child Care Resource & Referral Network; Majken Ryherd, Washington State Association of Community Action Agencies; Laurie Lippold, Children's Home Society; Barbara English, Tacoma Head Start; Gwen Orwiler, Fair Budget; Randi Abrams, Jewish Federation; Bob Cooper, Food Lifeline; Liz Schott, Columbia Legal Services; Rosemary Barnhart, Pierce County Community Action Program; Randy Scott, Quinault Indian Nation; Randy Parr, Washington Federation of State Employees; Pat Thompson, County & City Employees; David Whitener, Squaxin Island Tribe; Greg Twiddy, Skokomish Tribe; Dawn Vyvyan, Yakima Indian Nation; Les Parks, Tulalip Tribes; John Lether, Lower Elwha Klallam Tribe; Janice Skinner, Active Disabled of Grays Harbor; Steve Bauck, Northwest Harvest; Susan Crowley, city of Seattle; Danielle Welliever, Luthern Public Policy Office; George LeClair, Children's Alliance; Lonnie Johns-Brown, WAEYC; Ed Dolejsi, Washington State Catholic Conference; and Linda Grant, Association of Alcoholism & Addictions Programs.