

HOUSE BILL REPORT

HB 2900

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

Title: An act relating to pro rata calculation of temporary assistance for needy families grants.

Brief Description: Providing for pro rata calculation of temporary assistance for needy families grants.

Sponsors: Representatives Cooke, Ballasiotes, McDonald, Boldt and Mitchell.

Brief History:

Committee Activity:

Children & Family Services: 1/27/98, 1/30/98 [DPS];
Appropriations: 2/7/98 [DPS(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: Douglas Ruth (786-7134).

Background: In the 1997 session, the Legislature created the WorkFirst program. The program is intended to assist recipients of TANF to move from public assistance to unsubsidized employment. In conformity with the federal welfare law that created the TANF block grant, participants in the program are required to perform work activities as a condition of receiving assistance. A specified number of hours of work are required to be completed by each recipient each month.

If a recipient refuses to perform the required hours of work in a month, the department may impose a sanction. The penalty for failing to meet the work requirement is reduction of the family's grant by the recipient's share in the first instance, reduction of

the grant and assignment of a protective payee in the second instance, and a 40 percent reduction in the third instance. Finally, the department has the option to terminate the grant altogether. These sanctions are subject to good cause exceptions.

The federal welfare law also gives the states the option of using a "pro rata" sanction. This sanction reduces the recipient's grant by the percentage of the work requirement he or she did not fulfill during the month.

Summary of Substitute Bill: The department is required to calculate grants according to a pro rata calculation by July 1, 1999. By that date, recipients of TANF may only receive that proportion of their grant that corresponds with the portion of required work units they performed in the prior month, subject to good cause. If the recipient refuses to engage in work, the total grant may be terminated.

The good cause exceptions must include inability to work due to illness or temporary unavailability of child care, and the current good cause exceptions.

Prior to the mandatory use of pro rata sanctions in 1999, the department is required to study the practical application and fiscal impact of implementing a pro rata calculation of grants, and the appropriate good cause exceptions to the sanction. The department must report to the Legislature by November 30, 1998.

The current sanction methods are discontinued on July 1, 1999, when sanctioning on a pro rata basis must begin.

Substitute Bill Compared to Original Bill: The substitute requires the department to decrease the grant amount pro rata for the time the recipient fails to meet the work requirement, rather than per hour he or she does not meet the requirement. The department's current authority to terminate a recipient's grant if the recipient refuses to work is retained. Other current sanctions are eliminated in July 1, 1999, when the pro rata calculation must be used.

Good cause exceptions to the pro rata sanctions are added.

The department's study is expanded to include studying appropriate good cause exceptions and the rules for administering them.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: The current policy of imposing progressive sanctions sends a clear message to participants that failure to work has consequences. It is also a straightforward and clear policy. In comparison, the pro rata method of sanctioning is complicated. The Department of Social and Health Services will need to recalculate grant amounts each time a participant fails to meet the work requirement. This will necessitate close tracking of each participant's hours. Case managers will be spending more time tracking hours and recalculating grants than focusing on getting participants into a work position. In addition, different categories of participants are required to work a different number of hours. This further complicates a pro rata process. Good cause exemptions are needed. Illness or transportation problems may prevent a participant from working. A family should not suffer for these unforeseeable occurrences.

Testified: Randi Abrams, Jewish Federation (concerns).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Children & Family Services be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Huff, Chairman; Alexander, Vice Chairman; Clements, Vice Chairman; Wensman, Vice Chairman; Benson; Carlson; Cooke; Crouse; Lambert; Lisk; Mastin; McMorris; Parlette; D. Schmidt; Sehlin; Sheahan and Talcott.

Minority Report: Without recommendation. Signed by 12 members: Representatives H. Sommers, Ranking Minority Member; Doumit, Assistant Ranking Minority Member; Gombosky, Assistant Ranking Minority Member; Chopp; Cody; Grant; Keiser; Kenney; Kessler; Poulsen; Regala and Tokuda.

Staff: Joe Hauth (786-7271).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Children & Family Services: No new changes were recommended.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill adopts a reasonable approach for determining the appropriate grant amount. People in this program are preparing themselves for work. If they don't show up, they won't receive the grant. The pro rata approach is already being used successfully by state agencies in other service programs

Testimony Against: None.

Testified: Representative Cooke, prime sponsor.