

HOUSE BILL REPORT

SHB 2902

As Passed House:
February 13, 1998

Title: An act relating to contracting with entities that provide services for the WorkFirst program that are normally provided by civil servants.

Brief Description: Authorizing the department of social and health services to contract with private or public vendors for the WorkFirst program.

Sponsors: By House Committee on Child & Family Service (originally sponsored by Representatives Cooke, Ballasiotes, Carrell, McDonald, B. Thomas, Boldt, Mitchell and Lambert).

Brief History:

Committee Activity:

Children & Family Services: 1/27/98, 1/29/98 [DPS].

Floor Activity:

Passed House: 2/13/98, 53-43.

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: As a result of several supreme court opinions in the 1970's, state agencies are prohibited from "contracting out" for services. Contracting out is the practice of using private entities to do the work civil servants normally perform. The supreme court held in 1978 that agencies have "no authority to enter into contracts for services that have regularly and historically been provided, and could continue to be provided, by civil service employees." This ruling was based on the supreme court's interpretation of the Civil Service Act, 41.06 RCW.

In response to this interpretation, the Legislature enacted RCW 41.06.380 in 1979. That section permitted "contracting out" if the services to be provided were supplied to the state by the private sector prior to 1979, and if civil service employees would not be terminated or eliminated as a result of the contract.

In the 1997 session, the Legislature created the WorkFirst program. As part of that program, public assistance recipients receive work training and work search assistance. Much of this assistance is provide through contracts with service providers. In deciding with whom to contract, the department is constrained by the prohibition on "contracting out" for services.

Summary of Bill: An exception to the general prohibition on contracting out is created for the WorkFirst program. The department is given the authority to contract out with private service providers for services required by the WorkFirst program.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Assisting public assistance recipients get off welfare is a community responsibility. School districts and other enmities using programs such as Americorp, can find employment positions for public assistance recipients. Both the recipient and the community benefit when non-governmental entities assist recipients.

Testimony Against: Current law directs DSHS to contract with Community Action Agencies to assist the hardest to place welfare recipients. This is sufficient authority. It is unnecessary to alter chapter 41.06 RCW given the amount of authority DSHS currently has to contract with private entities. "Contracting out" for WorkFirst services may cause the department to violate their collective bargaining agreements with the public employees unions.

Testified: Linda Lee, Kent School District (pro); and Randy Lorell, WFSE (con).