

FINAL BILL REPORT

EHB 3901

PARTIAL VETO

C 58 L 97

Synopsis as Enacted

Brief Description: Implementing the federal personal responsibility and work opportunity reconciliation act of 1996 (Introduced with Senate sponsors).

Sponsors: Representatives Cooke, Boldt, McDonald, Alexander, Bush, Smith, Mielke, Talcott, Cairnes, Reams, Johnson, Huff, Lambert, Sheahan, Mulliken, Parlette, Backlund, Koster, D. Sommers, D. Schmidt, Schoesler, Wensman and Skinner.

Senators Deccio, Wood, Benton, Stevens, Rossi, Zarelli, Swecker, Long, McCaslin, Strannigan, Hochstatter, Oke, Horn, Newhouse, Johnson, Sellar, McDonald, Hale, Prince, Morton, Anderson, Roach, Finkbeiner, Winsley, Schow and West.

Senate Committee on Health & Long-Term Care

Background: Prior to January 1997, Washington operated a welfare program for low-income families with children called Aid to Families with Dependent Children (AFDC). If a family had children under the age of eighteen and met income and resource standards, the family was eligible for assistance. The family had a legal entitlement to monthly cash payments and medical coverage through the Medicaid program. This assistance continued as long as the family met the eligibility criteria.

In 1996, the U.S. Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This federal welfare reform legislation replaced the former AFDC assistance program for low-income families with a new program called the Temporary Assistance for Needy Families (TANF) program. Under the federally funded welfare system, the states must implement the reforms required by the Congress.

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 during a person's lifetime. A capped federal block grant is provided to a state in lieu of an uncapped federal funding formula based on the state's welfare caseload. An individual receiving assistance under the new TANF program is required to work. States are required to suspend the drivers' licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue child support.

The Congress stated the following goals of welfare reform 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
- (3) encourage the formation and maintenance of two-parent families.

Under the federal law, a state may exercise several options in developing a TANF program. The options include issues such 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.

All states must submit plans to the federal government detailing how each 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. In Washington, Governor Lowry submitted a TANF plan to the federal government on November 16, 1996, which took effect January 10, 1997. This plan maintains the welfare system that was in place in Washington prior to passage of the federal welfare reform legislation.

Summary: Washington's TANF plan submitted to the federal government in 1996 is voided and a new TANF program, under the Washington WorkFirst Temporary Assistance for Needy Families Act, is established.

Temporary Assistance for Needy Families. The entitlement to public assistance is removed. A recipient of TANF may receive a maximum of 60 months of assistance in his or her lifetime. Up to 20 percent of the TANF caseload may be exempted from the time limits based on hardship or the family violence options of federal law.

An applicant for TANF who has resided in Washington for fewer than twelve months immediately preceding application is limited to the benefit level in the state in which the person resided immediately before Washington. A TANF recipient may earn and keep 50 percent of his or her earned income without affecting his or her eligibility for TANF. A recipient may own a vehicle valued at \$5,000 and keep an additional \$3,000 in a savings account.

The DSHS must operate a grant diversion program to provide brief emergency assistance for families in crisis as a method of reducing dependence on the TANF program. The DSHS must also operate a program creating individual development

accounts to help TANF recipients attend school, purchase homes for first-time home buyers, and capitalize business ventures.

The DSHS is authorized to exempt a county from the food stamp work requirements for single individuals between the ages of 18 and 50, unless the DSHS receives a notice of an official action by the county's governing authority objecting to being exempted.

Immigrant Coverage. The state's option under federal law to continue public assistance services to legal immigrants is exercised. The stated policy distinguishes between those legal immigrants residing in the United States before enactment of the federal welfare reform law and those immigrating to the United States after passage of the law. Postenactment immigrants are subject to a five-year benefit exclusion and other requirements. (See SB6098 for changes in public assistance coverage for legal immigrants.)

Washington WorkFirst Program. The Department of Social and Health Services (DSHS) is required to meet federal work participation rates using allowable federal work activities. An adult in a family receiving TANF is required to participate in job search and work activities. A system of competitive, performance-based contracting for welfare-to-work services is established. A variety of contractors, including public agencies, may assist those on TANF in seeking work. Outcome measures and performance standards are used to evaluate contracts and agency performance. A recipient of TANF who is placed in work or community service may not displace a current employee and is protected by wage and hour laws and workplace safety standards.

Child Care. Within available funds, the DSHS must administer an integrated child care program serving families with incomes of up to 175 percent of the federal poverty level. Copayments, determined on a sliding scale, are required. Child care resource and referral agencies are directed to provide priority service to TANF recipients and low-income working families.

The DSHS is directed to train 250 TANF recipients to become child care providers. Recipients trained to be child care providers are required to provide two years of service to DSHS clients following their training.

Teen Parents. The DSHS must determine the most appropriate living situation— for a TANF applicant under the age of 18, unmarried, and either pregnant or responsible for the care of a minor child. If the applicant does not live in the appropriate setting and comply with other program requirements, the applicant may not receive a cash payment. The most appropriate living situation— does not include residence with the adult father who is found by the DSHS to meet the elements of rape of a child.

The Department of Health is directed to apply for federal abstinence education funds made available by the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

License Suspension. A process is established for suspending the occupational, professional, recreational, and driver's license of a parent who fails to pay child support or violates a residential or visitation order. The DSHS is given the option to suspend the license of, or deny issuance of a license to, a parent who is six months behind in his or her child support payments, or who has violated a residential or visitation order twice within three years. Prior to the suspension or denial of a license, the DSHS must give the delinquent parent the opportunity to either contest the DSHS's action, enter into a payment schedule with the DSHS, or have his or her support order modified by a court or the DSHS.

A tax registration or certification may not be suspended for nonpayment of child support. A holder of a limited entry commercial fishery license may have his or her license suspended, but will not permanently lose the license as long as the holder pays the delinquent child support or enters into a schedule of payments within 12 months.

The Department of Licensing must distinguish between drivers' licenses suspended for noncompliance with a child support order and those suspended due to driving-related infractions.

Other Provisions. The DSHS is directed to coordinate with Indian tribes that elect to operate a tribal TANF program. The Legislature must specify the amount of state funds to be transferred to a tribe for the administration of its program. The DSHS must adopt rules relating to the appropriate use of state funds provided to Indian tribes.

The Employment Security Department is authorized to share confidential wage information on participants in the TANF work program with the DSHS for the purposes of evaluating the program. A law enforcement officer requesting information from the DSHS on a fugitive is no longer required to furnish a warrant or subpoena.

The Joint Legislative Audit and Review Committee must conduct evaluations of the provisions of the new welfare program.

Votes on Final Passage:

House 56 42
Senate 25 22 (Senate amended)
House 56 42 (House concurred)

Effective: July 1, 1997 (Sections 801-887, 889 & 890)
July 27, 1997
January 1, 1998 (Sections 701-704)
October 1, 1998 (Section 944)

Partial Veto Summary: The governor vetoed sections that: (1) were superseded by ESB 6098; (2) specified child care copayments; (3) repealed the consolidated emergency assistance program; (4) made TANF recipients eligible for Jobs in the Environment programs; (5) authorized the private sector to administer public programs; (6) required the proration of WorkFirst cash assistance; (7) required the establishment of paternity with no good cause exemption; (8) suspended licenses for custodial parents who violate residential orders; and (9) provided emergency enactment of several provisions of the legislation.