

# HOUSE BILL REPORT

## HB 2578

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**As Reported by House Committee On:**  
Children & Family Services

**Title:** An act relating to services available to WorkFirst recipients.

**Brief Description:** Providing case management and other services to WorkFirst recipients.

**Sponsors:** Representatives Nixon, Cox, Boldt, Mielke, Orcutt, Benson, Morell, Mulliken, Ericksen, Sump, Esser, Alexander, Schindler, Schoesler, McMorris, Schmidt, Lisk, Pearson and Casada.

**Brief History:**

**Committee Activity:**

Children & Family Services: 1/28/02, 2/4/02 [DPS].

**Brief Summary of Substitute Bill**

- Clarifies a statutory reference to the list of work activities for which the Department of Social and Health Services (DSHS) is authorized to use performance-based competitive contracts in administering the WorkFirst program.

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### HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Tokuda, Chair; Kagi, Vice Chair; Boldt, Ranking Minority Member; Darneille, Miloscia, Morell, Nixon and Orcutt.

**Minority Report:** Do not pass. Signed by 1 member: Representative Dickerson.

**Staff:** Deborah Frazier (786-7152).

**Background:**

When welfare reform statutes were enacted in 1997, the Legislature authorized the Department of Social and Health Services (DSHS) to use performance-based competitive contracts for all welfare-to-work activities.

A 2001 report by the Economic Services Administration of the DSHS showed over 400 contractors for welfare-to-work activities. The contractors are engaged in a variety of activities, including: adult basic education, learning needs, job skills training and employment retention.

The activities performed by state employees are case management and social work services to persons with multiple barriers to employment.

Classified staff at the DSHS are covered by the state civil service law, Chapter 41.06 RCW. Under the civil service law, a department may contract for goods and services if the contract does not result in "terminating classified employees or classified employee positions existing at the time of the execution or renewal of the contract" (RCW 41.06.380).

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**Summary of Substitute Bill:**

The statutory reference to the list of work activities for which the DSHS is authorized to use performance-based competitive contracts in administering the WorkFirst program is clarified.

**Substitute Bill Compared to Original Bill:**

The original bill authorized the DSHS to use performance-based competitive contracts for all activities related to WorkFirst recipients. The substitute makes a technical clarification to a statutory reference to the list of work activities for which the DSHS is authorized to use performance-based competitive contracts.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** We have an opportunity to expand the authorization of the department to find the most efficient way to deliver case management services. Allowing competitive bidding for WorkFirst activities is a tool for the state to use to improve services and reducing costs to the state budget.

**Testimony Against:** None.

(With concerns) We believe that since DSHS controls the funds, their staff needs to

manage people through the process, and should retain eligibility determination and case management. We agree that some services are best delivered in the community.

**Testified:** (In support ) Representative Nixon, prime sponsor; and Eric Montague, Washington Policy Center.

(With concerns) Bev Hermanson, Federation of State Employees; and Phyllis Lowe, Economic Services Administration, Department of Social and Health Services.