

# SENATE BILL REPORT

## SB 5201

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As Reported By Senate Committee On:  
Ways & Means, February 12, 2002

**Title:** An act relating to increasing access to education for recipients of temporary assistance for needy families.

**Brief Description:** Creating the higher education for lifelong progress program.

**Sponsors:** Senators Kohl-Welles, Deccio, Winsley, Carlson, Sheahan, Swecker, Jacobsen, Hargrove, B. Sheldon, Shin, McAuliffe and Fairley.

**Brief History:**

**Committee Activity:** Higher Education: 1/25/01, 2/12/01 [DPS-WM, DNP].

Ways & Means: 2/21/01, 3/8/01 [DP2S, DNP]; 2/12/02 [DP3S, DNP].

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Brown, Chair; Regala, Vice Chair; Fairley, Vice Chair; Fraser, Kline, Kohl-Welles, Poulsen, Rasmussen, B. Sheldon, Snyder, Spanel, Thibaudeau and Winsley.

**Minority Report:** Do not pass.

Signed by Senators Honeyford and Rossi.

**Staff:** Karen Barrett (786-7711)

**Background:** Enhancing a welfare recipient's ability to obtain a postsecondary education has not been a priority under federal or state welfare reform laws. When the federal government enacted the Personal Responsibility and Work Opportunity Reconciliation Act of 1995 (PRWORA, or welfare reform act), it generally required "work activities" for recipients as a condition of benefit receipt, and limited the types of permissible work activities.

While states were permitted to use state funds for any antipoverty program they chose, they were limited in the approvable use of federal welfare block grant money. In the case of postsecondary education, the federal act allowed up to 12 months of vocational education only. Progress toward a two-year degree at a community college, or a baccalaureate degree was not an allowable Temporary Assistance for Needy Families (TANF) work activity, and federal funds were not to be used to pay for college.

In 1999, however, the federal government produced final TANF regulations. Various legal interpretations of these regulations appear to allow states an expanded scope of TANF work activities, including assistance for postsecondary education.

Numerous studies demonstrate a relationship between educational attainment and economic well-being. Data shows that graduation from college significantly increases the probability of higher lifetime earnings. In addition, studies indicate that college completion decreases the chances of a graduate's children needing public assistance in the future. It appears that college attendance also reduces social costs by improving lifelong health status, increasing tax revenues, enhancing savings rates and reducing welfare dependency and crime.

In the spring of 2001, the Legislature directed the Washington Institute for Public Policy to recommend how Washington could consider adding a targeted, stand-alone higher education component to the WorkFirst Program in a way that is cost-neutral and consistent with the WorkFirst philosophy allowing a small number of clients to pursue specific fields of study. The institute's report entitled "Full-Time Higher Education under TANF" is now available. It examines other states' practices, federal TANF regulations, and research regarding welfare and higher education.

**Summary of Third Substitute Bill:** Subject to specific funding and enrollment opportunities referenced in the state operating budget, the Higher Education for Lifelong Progress (HELP) program allows qualified welfare recipients to attend college on a full-time basis as their required TANF work activity.

The state continues to provide TANF cash assistance, benefits and other support services to HELP participants. HELP participants are expected to qualify for state and federal financial aid. College participation is limited to two years and each month counts against the individual's 60-month lifetime limit on welfare.

In order to qualify for HELP, TANF clients must be admitted to a college in Washington State and make satisfactory progress toward completion, as part of their Individual Responsibility Plans. For HELP participants, college study must be in a high-demand field likely to result in employment and one with a high probability of wage progression in order to enable the client's household to exit public assistance. TANF administrators are to advise HELP participants to obtain specific career planning and advising service from their educational institutions. TANF clients who have already completed some post-secondary education are given priority in selection for the new HELP program.

DSHS must contract with the Washington Institute for Public Policy for the performance of an outcome study of the HELP program to track degree completion, wage progression, and welfare recidivism. The Institute's report to the Governor and the Legislature must identify both barriers and enhancements to program success and quantify the expected increase in lifetime earnings of program graduates.

**Third Substitute Bill Compared to Second Substitute Bill:** The first outcome study report from the Washington Institute for Public Policy is expected in 2004.

**Second Substitute Bill Compared to Substitute Bill:** HELP participation is subject to available funds and slots as defined in the Omnibus Appropriations Act.

**Substitute Bill Compared to Original Bill:** Education in a high-demand field is emphasized. Each educational institution defines "satisfactory progress."

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For (Higher Education):** This postsecondary approach to welfare reform is allowed by the federal government, and is being tried in other states. It would help alleviate the shortage of skilled workers. Current requirements of work and school make it take longer to complete school, and therefore delay the exit from welfare.

**Testimony Against (Higher Education):** This approach delinks work and education, does not fit the WorkFirst philosophy, and would be expensive to implement.

**Testified (Higher Education):** PRO: Senator Kohl-Welles, prime sponsor; Tony Lee, Fremont Public Association; Ayanna Robinson, NASW; Ruth Ann Johnson, student; Stephanie Johnson, Parents Resource Network. CON: John Atherton, Econ. Svcs. Div., DSHS.

**Testimony For (Ways & Means):** This would be a wise investment and would pay dividends in the long run as it reduces the chance that welfare recipients cycle on and off state public assistance. Washington's recent experience is that about a third of those exiting welfare return within 12 months. Length of stay on welfare is only prolonged for those trying to work and study, each on a part-time basis. It is well documented that post-secondary training improves an individual's wage potential. Federal regulations permit states to support college-level training for welfare recipients and 29 other states do so to some degree today. Enabling statutes for Washington's Work First Program contemplated the possibility of clients detaching from the labor market for 12 months to pursue vocational training. It's a shortcoming that this opportunity has not been fully exercised.

**Testimony Against (Ways & Means):** None.

**Testified (Ways & Means):** PRO: Senator Kohl-Welles, prime sponsor; Ruth Ann Johnson.