

2SHB 2256 - S COMM AMD

By Committee on Ways & Means

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** INTENT. The legislature finds that low-
4 income working families often encounter significant barriers as they
5 strive to achieve financial self-sufficiency. Their challenges include
6 acquiring employment that pays enough to cover the costs of daily
7 living, accumulating funds for the down payment on a home, and setting
8 aside money for the children's education or for the parents'
9 retirement. The legislature also finds that the United States has a
10 negative savings rate, one in five American households owes more than
11 it owns, and in the event of a job loss, one in four households cannot
12 support itself at the poverty line for three months. Asset-poor
13 families do not have enough cash reserves or equity in their homes or
14 businesses to meet basic needs through a period of joblessness, health
15 emergency, divorce, or other unexpected financial hardship.
16 Compounding these problems, credit reports about low-income working
17 families tend to contain negative information, so that when used by
18 prospective employers, the reports can prevent the job seeker from
19 obtaining employment. Research shows that savings and ownership of
20 assets is possible for low-income wage earners and that they would
21 benefit from a variety of tools that allow them to better control and
22 increase their financial resources. The legislature therefore finds
23 that the state, together with local communities, must adopt policies
24 and provide services to help low-income working families achieve
25 prosperity.

26 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this
27 section apply throughout sections 1 through 6 of this act unless the
28 context clearly requires otherwise.

1 (1) "Asset" or "asset building" means investment or savings for an
2 investment in a family home, higher education, small business, or other
3 long-term asset that will assist low-income families to attain greater
4 self-sufficiency.

5 (2) "Department" means the department of community, trade, and
6 economic development.

7 (3) "Director" means the director of the department of community,
8 trade, and economic development.

9 NEW SECTION. **Sec. 3.** WASHINGTON ASSET BUILDING COALITION. (1)

10 There is created the Washington asset building coalition, whose mission
11 is to provide statewide leadership on initiatives that foster financial
12 self-sufficiency and economic security for low-income working families.
13 The Washington asset building coalition shall work with the department,
14 local asset building coalitions, and other public and private sector
15 partners to:

16 (a) Create a range of private and public prosperity products;

17 (b) Develop and promote public and private lending policies that
18 encourage asset building;

19 (c) Market savings, smart borrowing, and federal tax credit
20 programs;

21 (d) Expand financial literacy opportunities and outcomes;

22 (e) Enhance protections from predatory lending, fraud, and consumer
23 scams; and

24 (f) Identify and promote other approaches that will help low-income
25 working families reach self-sufficiency by building and managing their
26 assets.

27 (2) For the 2007-2009 biennium, the department shall work with the
28 Washington asset building coalition and other partners to design,
29 implement, and fund a statewide public education and outreach campaign.
30 The department shall use state funds to attract matching investments by
31 other public and private sector organizations. The campaign shall
32 feature marketing, self-help tools, and local services, including
33 activities such as:

34 (a) Creation of a web site with financial information, savings and
35 investment calculators, credit repair links, and other self-help tools;

36 (b) Call-in assistance and referrals through a universal telephone
37 number that provides a directory to local services;

1 (c) Public service announcements and other educational outreach
2 through media outlets, WorkFirst agencies, mailing inserts, and print
3 and electronic materials designed to reach target groups such as
4 seniors, the military, foster youth, former offenders, WorkFirst
5 participants, limited English speakers, and other high need groups.

6 NEW SECTION. **Sec. 4.** COMMUNITY ASSET BUILDING COALITIONS. (1)
7 Community-based asset building coalitions involve collaboration among
8 local social service, faith-based, governmental, job training, and
9 health care agencies and the private sector, including financial
10 institutions. They are important partners to the department and the
11 statewide coalition because they deliver direct services to low-income
12 working families.

13 (2) The department shall expand and strengthen community-based
14 asset building coalitions by providing them with technical assistance
15 and grants. The department shall establish a process to offer
16 technical assistance and grants to local communities interested in
17 initiating or expanding asset building coalitions and services. The
18 department shall conduct an application process and select at least
19 twelve sites by October 31, 2007. The application must:

- 20 (a) Identify the local lead agency;
- 21 (b) Describe how the lead agency will work with community partners,
22 including local government and the private sector, to implement program
23 activities. The application must specifically identify the community
24 partners with whom the lead agency will collaborate, the role of each
25 partner, and their experience and accomplishments to date, if any, with
26 asset building and financial literacy programs;
- 27 (c) Identify areas of potential need based upon input from the
28 community partners, including: Financial literacy; assistance with
29 federal income tax preparation and the use of tax credits; the use of
30 individual development accounts; homeownership and micro-enterprise
31 promotion and services; and other asset-building strategies;
- 32 (d) Identify the community resources that might support training
33 for the implementation of the selected best practices chosen to address
34 the needs identified by the community; and
- 35 (e) Identify any local funds and in-kind resources that will be
36 contributed to complement the state's funding.

1 NEW SECTION. **Sec. 5.** TAX CREDIT MARKETING. To the extent funding
2 is appropriated, the department shall establish a program to create an
3 outreach campaign to increase the number of eligible low-income working
4 families who claim the federal earned income tax credit and the federal
5 child and dependent care tax credit. The department may work
6 collaboratively with other state agencies, private and nonprofit
7 agencies, local communities, and others with expertise that might
8 assist the department in implementing the program.

9 NEW SECTION. **Sec. 6.** ACCOUNTABILITY. The department shall report
10 to the appropriate committees of the legislature by December 1, 2008,
11 and annually thereafter, on the status of the asset building and
12 financial self-sufficiency programs created under this act. The report
13 shall include the status of program implementation, the outcomes
14 achieved to date, any barriers that have arisen to carrying out the
15 programs, and recommendations for additional services, tools, and
16 practices that would increase the effectiveness of state and local
17 asset building and financial literacy programs.

18 NEW SECTION. **Sec. 7.** A new section is added to chapter 74.08A RCW
19 to read as follows:

20 DEPARTMENT OF SOCIAL AND HEALTH SERVICES TO ENCOURAGE ASSET
21 BUILDING. The department of social and health services shall encourage
22 recipients of temporary assistance for needy families to learn about
23 asset building and participate in programs to assist low-income persons
24 in developing personal assets. The department of social and health
25 services shall provide its regional offices, recipients of temporary
26 assistance for needy families, and any contractors providing job
27 search, training, or placement services notification of programs
28 available in the state for financial literacy, individual development
29 accounts, assistance with federal income tax information and the
30 availability of tax credits, and other resources to assist with asset
31 building.

32 NEW SECTION. **Sec. 8.** REPEALERS. The following acts or parts of
33 acts are each repealed:

34 (1) RCW 43.63A.765 (Pilot programs for asset accumulation) and 2006
35 c 91 s 2; and

1 (2) RCW 43.63A.767 (Outreach campaign--Eligibility for federal
2 earned income tax credit) and 2006 c 91 s 3.

3 NEW SECTION. **Sec. 9.** CAPTIONS NOT LAW. Captions used in this act
4 are not any part of the law.

5 NEW SECTION. **Sec. 10.** Sections 1 through 6 and 9 of this act are
6 each added to chapter 43.63A RCW.

7 NEW SECTION. **Sec. 11.** If specific funding for the purposes of
8 this act, referencing this act by bill or chapter number, is not
9 provided by June 30, 2007, in the omnibus appropriations act, this act
10 is null and void."

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11 On page 1, line 1 of the title, after "act;" strike the remainder
12 of the title and insert "adding new sections to chapter 43.63A RCW;
13 adding a new section to chapter 74.08A RCW; creating a new section; and
14 repealing RCW 43.63A.765 and 43.63A.767."

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