

ESSB 5921 - H COMM AMD  
By Committee on Ways & Means

ADOPTED AND ENGROSSED 5/13/11

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that stable and  
4 sustainable employment is the key goal of the WorkFirst and temporary  
5 assistance for needy families programs. Achieving stable and  
6 sustainable employment is a developmental process that takes time,  
7 effort, and engagement. In times of fiscal challenge, temporary  
8 assistance for needy families and WorkFirst resources must be invested  
9 in program elements that produce the best results for low-income  
10 families and the state of Washington.

11 The legislature further finds that the core tenets that are the  
12 foundation of Washington state's WorkFirst program are: (1) Achieving  
13 stable and successful employment; (2) recognizing the critical role  
14 that participants play in their children's development, healthy growth,  
15 and promotion of family stability; (3) developing strategies founded on  
16 the principle that WorkFirst is a transitional, not long-term, program  
17 to assist families on the pathway to self-sufficiency while holding  
18 them accountable; and (4) leveraging resources outside the funding for  
19 temporary assistance for needy families is crucial to achieving  
20 WorkFirst goals. It is the intent of the legislature, using evidence-  
21 based and research-based practices, to develop a road map to self-  
22 sufficiency for WorkFirst participants and temporary assistance for  
23 needy families recipients.

24 The legislature further finds that parents are responsible for the  
25 support of their children and that they have up to sixty months of  
26 receipt of temporary assistance for needy families benefits, absent any  
27 applicable hardship extension, to achieve stable and sustainable  
28 employment or find other means to support their family. It is the  
29 intent of the legislature to apply a sixty-month time limit to the  
30 temporary assistance for needy families program, including households

1 in which a parent is in the home and ineligible for temporary  
2 assistance for needy families. The legislature intends that hardship  
3 extensions be applied to families subject to time limits.

4 **Sec. 2.** RCW 74.08A.260 and 2009 c 85 s 2 are each amended to read  
5 as follows:

6 (1) Each recipient shall be assessed after determination of program  
7 eligibility and before referral to job search. Assessments shall be  
8 based upon factors that are critical to obtaining employment, including  
9 but not limited to education, availability of child care, history of  
10 family violence, history of substance abuse, and other factors that  
11 affect the ability to obtain employment. Assessments may be performed  
12 by the department or by a contracted entity. The assessment shall be  
13 based on a uniform, consistent, transferable format that will be  
14 accepted by all agencies and organizations serving the recipient.

15 (2) Based on the assessment, an individual responsibility plan  
16 shall be prepared that: (a) Sets forth an employment goal and a plan  
17 for maximizing the recipient's success at meeting the employment goal;  
18 (b) considers WorkFirst educational and training programs from which  
19 the recipient could benefit; (c) contains the obligation of the  
20 recipient to participate in the program by complying with the plan; (d)  
21 moves the recipient into full-time WorkFirst activities as quickly as  
22 possible; and (e) describes the services available to the recipient  
23 either during or after WorkFirst to enable the recipient to obtain and  
24 keep employment and to advance in the workplace and increase the  
25 recipient's wage earning potential over time.

26 ((+2)) (3) Recipients who are not engaged in work and work  
27 activities, and do not qualify for a good cause exemption under RCW  
28 74.08A.270, shall engage in self-directed service as provided in RCW  
29 74.08A.330.

30 ((+3)) (4) If a recipient refuses to engage in work and work  
31 activities required by the department, the family's grant shall be  
32 reduced by the recipient's share, and may, if the department determines  
33 it appropriate, be terminated.

34 ((+4)) (5) The department may waive the penalties required under  
35 subsection ((+3)) (4) of this section, subject to a finding that the  
36 recipient refused to engage in work for good cause provided in RCW  
37 74.08A.270.

1       ~~((5) In implementing this section, the department shall assign the~~  
2 ~~highest priority to the most employable clients, including adults in~~  
3 ~~two parent families and parents in single parent families that include~~  
4 ~~older preschool or school age children to be engaged in work~~  
5 ~~activities.))~~

6       (6) In consultation with the recipient, the department or  
7 contractor shall place the recipient into a work activity that is  
8 available in the local area where the recipient resides.

9       (7) Assessments conducted under this section shall include a  
10 consideration of the potential benefit to the recipient of engaging in  
11 financial literacy activities. The department shall consider the  
12 options for financial literacy activities available in the community,  
13 including information and resources available through the financial  
14 ~~(literacy))~~ education public-private partnership created under RCW  
15 28A.300.450. The department may authorize up to ten hours of financial  
16 literacy activities as a core activity or an optional activity under  
17 WorkFirst.

18       (8)(a) From July 1, 2011, through June 30, 2012, subsections (2)  
19 through (6) of this section are suspended for a recipient who is a  
20 parent or other relative personally providing care for one child under  
21 the age of two years, or two or more children under the age of six  
22 years. This suspension applies to both one and two parent families.  
23 However, both parents in a two-parent family cannot use the suspension  
24 during the same month. Beginning July 1, 2012, the department shall  
25 phase in the work activity requirements that were suspended, beginning  
26 with those recipients closest to reaching the sixty-month limit of  
27 receiving temporary assistance for needy families under RCW  
28 74.08A.010(1). The phase in shall be accomplished so that a fairly  
29 equal number of recipients required to participate in work activities  
30 are returned to those activities each month until the total number  
31 required to participate is participating by June 30, 2013. Nothing in  
32 this subsection shall prevent a recipient from participating in the  
33 WorkFirst program on a voluntary basis. Recipients who participate in  
34 the WorkFirst program on a voluntary basis shall be provided an option  
35 to participate in the program on a part-time basis, consisting of  
36 sixteen or fewer hours of activities per week. Recipients also may  
37 participate voluntarily on a full-time basis.

1       (b)(i) The period of suspension of work activities under this  
2 subsection provides an opportunity for the legislative and executive  
3 branches to oversee redesign of the WorkFirst program. To realize this  
4 opportunity, both during the period of suspension and following  
5 reinstatement of work activity requirements as redesign is being  
6 implemented, a legislative-executive WorkFirst oversight task force is  
7 established, with members as provided in this subsection (8)(b).

8       (ii) The president of the senate shall appoint two members from  
9 each of the two largest caucuses of the senate.

10       (iii) The speaker of the house of representatives shall appoint two  
11 members from each of the two largest caucuses of the house of  
12 representatives.

13       (iv) The governor shall appoint members representing the department  
14 of social and health services, the department of early learning, the  
15 department of commerce, the employment security department, the office  
16 of financial management, and the state board for community and  
17 technical colleges.

18       (v) The task force shall choose cochairs, one from among the  
19 legislative members and one from among the executive branch members.  
20 The legislative members shall convene the initial meeting of the task  
21 force.

22       (c) The task force shall:

23       (i) Oversee the partner agencies' implementation of the redesign of  
24 the WorkFirst program and operation of the temporary assistance for  
25 needy families program to ensure that the programs are achieving  
26 desired outcomes for their clients;

27       (ii) Determine evidence-based outcome measures for the WorkFirst  
28 program, including measures related to equitably serving the needs of  
29 historically underrepresented populations, such as English language  
30 learners, immigrants, refugees, and other diverse communities;

31       (iii) Develop accountability measures for WorkFirst recipients and  
32 the state agencies responsible for their progress toward self-  
33 sufficiency;

34       (iv) Make recommendations to the governor and the legislature  
35 regarding:

36       (A) Policies to improve the effectiveness of the WorkFirst program  
37 over time;

1 (B) Early identification of those recipients most likely to  
2 experience long stays on the program and strategies to improve their  
3 ability to achieve progress toward self-sufficiency; and

4 (C) Necessary changes to the program, including taking into account  
5 federal changes to the temporary assistance for needy families program.

6 (d) The partner agencies must provide the task force with regular  
7 reports on:

8 (i) The partner agencies' progress toward meeting the outcome and  
9 performance measures established under (c) of this subsection;

10 (ii) Caseload trends and program expenditures, and the impact of  
11 those trends and expenditures on client services, including services to  
12 historically underrepresented populations; and

13 (iii) The characteristics of families who have been unsuccessful on  
14 the program and have lost their benefits either through sanction or the  
15 sixty-month time limit.

16 (e) Staff support for the task force must be provided by senate  
17 committee services, the house of representatives office of program  
18 research, and the state agency members of the task force.

19 (f) The task force shall meet on a quarterly basis beginning  
20 September 2011, or as determined necessary by the task force cochairs.

21 (g) During its tenure, the state agency members of the task force  
22 shall respond in a timely manner to data requests from the cochairs.

23 **Sec. 3.** RCW 74.08A.290 and 1997 c 58 s 316 are each amended to  
24 read as follows:

25 (1) ~~((It is the intent of the legislature that))~~ On or before July  
26 1, 2012, the department ~~((is authorized to))~~ shall engage in  
27 competitive contracting using performance-based contracts to provide  
28 all WorkFirst work activities ~~((authorized in chapter 58, Laws of 1997,~~  
29 ~~including the job search component authorized in section 312 of this~~  
30 ~~act))~~.

31 (2) The department ~~((may))~~ shall use competitive performance-based  
32 contracting to select ~~((which vendors will participate))~~ the public or  
33 private vendors to provide work activity services in the WorkFirst  
34 program. WorkFirst work activity services provided by partner agencies  
35 also shall be pursuant to performance-based contracts. Performance-  
36 based contracts shall be awarded based on factors that include but are  
37 not limited to the criteria listed in RCW 74.08A.410, past performance

1 of the contractor, demonstrated ability to perform the contract  
2 effectively, financial strength of the contractor, and merits of the  
3 proposal for services submitted by the contractor. Contracts shall be  
4 made without regard to whether the contractor is a public or private  
5 entity.

6 (3) The department (~~(may)~~) shall contract for an evaluation of the  
7 competitive contracting practices and outcomes to be performed by (~~(an~~  
8 ~~independent—entity—with—expertise—in—government—privatization—and~~  
9 ~~competitive—strategies)~~) the Washington state institute for public  
10 policy. The evaluation shall include (~~(quarterly)~~) annual progress  
11 reports to the appropriate policy and fiscal committees of the  
12 legislature and to the governor, starting (~~(at the first quarter after~~  
13 ~~the effective date of the first competitive contract and ending two~~  
14 ~~years after the effective date of the first competitive contract)~~) June  
15 30, 2012.

16 (4) The department shall work with the legislative-executive  
17 WorkFirst oversight task force established under RCW 74.08A.260 to  
18 develop appropriate outcomes by which the contractor's performance will  
19 be measured. The outcomes shall be developed no later than November  
20 30, 2011.

21 (5) The department shall seek independent assistance in developing  
22 contracting strategies to implement this section. Assistance may  
23 include but is not limited to development of contract language, design  
24 of requests for proposal, developing full cost information on  
25 government services, evaluation of bids, and providing for equal  
26 competition between private and public entities.

27 NEW SECTION. Sec. 4. A new section is added to chapter 74.12 RCW  
28 to read as follows:

29 The department shall adopt rules, effective November 1, 2011,  
30 establishing income eligibility for temporary assistance for needy  
31 families benefits for a child, other than a foster child, who lives  
32 with a caregiver other than his or her parents. The department shall  
33 establish a sliding scale benefit standard for a child when the income  
34 of the child's caregiver is above two hundred percent but below three  
35 hundred percent of the federal poverty level based on family size. A  
36 caregiver with an income above three hundred percent of the federal

1 poverty level shall not be eligible for temporary assistance for needy  
2 families benefits for a child, not a foster child, who is residing with  
3 that caregiver.

4 NEW SECTION. **Sec. 5.** A new section is added to chapter 74.08A RCW  
5 to read as follows:

6 In determining the income eligibility of an applicant or recipient  
7 for temporary assistance for needy families or WorkFirst, the  
8 department shall not count the federal supplemental security income  
9 received by a household member.

10 **Sec. 6.** RCW 74.08A.010 and 2004 c 54 s 4 are each amended to read  
11 as follows:

12 (1) A family that includes an adult who has received temporary  
13 assistance for needy families for sixty months after July 27, 1997,  
14 shall be ineligible for further temporary assistance for needy families  
15 assistance.

16 (2) For the purposes of applying the rules of this section, the  
17 department shall count any month in which an adult family member  
18 received a temporary assistance for needy families cash assistance  
19 grant unless the assistance was provided when the adult family member  
20 was a minor child and not the head of the household or married to the  
21 head of the household.

22 (3) The department shall adopt regulations to apply the sixty-month  
23 time limit to households in which a parent is in the home and  
24 ineligible for temporary assistance for needy families. Any  
25 regulations shall be consistent with federal funding requirements.

26 (4) The department shall refer recipients who require specialized  
27 assistance to appropriate department programs, crime victims' programs  
28 through the department of ~~((community, — trade, — and — economic~~  
29 ~~development))~~ commerce, or the crime victims' compensation program of  
30 the department of labor and industries.

31 ~~((+4))~~ (5) The department may exempt a recipient and the  
32 recipient's family from the application of subsection (1) of this  
33 section by reason of hardship or if the recipient meets the family  
34 violence options of section 402(A)(7) of Title IVA of the federal  
35 social security act as amended by P.L. 104-193. ~~((The number of~~  
36 ~~recipients and their families exempted from subsection (1) of this~~

1 ~~section for a fiscal year shall not exceed twenty percent of the~~  
2 ~~average monthly number of recipients and their families to which~~  
3 ~~assistance is provided under the temporary assistance for needy~~  
4 ~~families program.~~

5 ~~(5))~~ Policies related to circumstances under which a recipient  
6 will be exempted from the application of subsection (1) or (3) of this  
7 section shall treat adults receiving benefits on their own behalf, and  
8 parents receiving benefits on behalf of their child similarly, unless  
9 required otherwise under federal law.

10 (6) The department shall not exempt a recipient and his or her  
11 family from the application of subsection (1) or (3) of this section  
12 until after the recipient has received fifty-two months of assistance  
13 under this chapter.

14 ~~((6))~~ (7) Beginning on October 31, 2005, the department shall  
15 provide transitional food stamp assistance for a period of five months  
16 to a household that ceases to receive temporary assistance for needy  
17 families assistance and is not in sanction status. If necessary, the  
18 department shall extend the household's food stamp certification until  
19 the end of the transition period.

20 **Sec. 7.** RCW 74.08.025 and 2005 c 174 s 2 are each amended to read  
21 as follows:

22 (1) Public assistance may be awarded to any applicant:

23 (a) Who is in need and otherwise meets the eligibility requirements  
24 of department assistance programs; and

25 (b) Who has not made a voluntary assignment of property or cash for  
26 the purpose of qualifying for an assistance grant; and

27 (c) Who is not an inmate of a public institution except as a  
28 patient in a medical institution or except as an inmate in a public  
29 institution who could qualify for federal aid assistance: PROVIDED,  
30 That the assistance paid by the department to recipients in nursing  
31 homes, or receiving nursing home care, may cover the cost of clothing  
32 and incidentals and general maintenance exclusive of medical care and  
33 health services. The department may pay a grant to cover the cost of  
34 clothing and personal incidentals in public or private medical  
35 institutions and institutions for tuberculosis. The department shall  
36 allow recipients in nursing homes to retain, in addition to the grant  
37 to cover the cost of clothing and incidentals, wages received for work



1 as a part of a training or rehabilitative program designed to prepare  
2 the recipient for less restrictive placement to the extent permitted  
3 under Title XIX of the federal social security act.

4 (2) Any person otherwise qualified for temporary assistance for  
5 needy families under this title who has resided in the state of  
6 Washington for fewer than twelve consecutive months immediately  
7 preceding application for assistance is limited to the benefit level in  
8 the state in which the person resided immediately before Washington,  
9 using the eligibility rules and other definitions established under  
10 this chapter, that was obtainable on the date of application in  
11 Washington state, if the benefit level of the prior state is lower than  
12 the level provided to similarly situated applicants in Washington  
13 state. The benefit level under this subsection shall be in effect for  
14 the first twelve months a recipient is on temporary assistance for  
15 needy families in Washington state.

16 (3) Any person otherwise qualified for temporary assistance for  
17 needy families who is assessed through the state alcohol and substance  
18 abuse program as drug or alcohol-dependent and requiring treatment to  
19 become employable shall be required by the department to participate in  
20 a drug or alcohol treatment program as a condition of benefit receipt.

21 (4) The department may implement a permanent disqualification for  
22 adults who have been terminated due to WorkFirst noncompliance sanction  
23 three or more times since March 1, 2007. A household that includes an  
24 adult who has been permanently disqualified from receiving temporary  
25 assistance for needy families shall be ineligible for further temporary  
26 assistance for needy families assistance.

27 (5) Pursuant to 21 U.S.C. 862a(d)(1), the department shall exempt  
28 individuals from the eligibility restrictions of 21 U.S.C. 862a(a)(1)  
29 and (2) to ensure eligibility for temporary assistance for needy  
30 families benefits and federal food assistance.

31 **Sec. 8.** RCW 74.08A.250 and 2009 c 353 s 6 are each amended to read  
32 as follows:

33 Unless the context clearly requires otherwise, as used in this  
34 chapter, "work activity" means:

- 35 (1) Unsubsidized paid employment in the private or public sector;  
36 (2) Subsidized paid employment in the private or public sector,

- 1 including employment through the state or federal work-study program  
2 for a period not to exceed twenty-four months;
- 3 (3) Work experience, including:
- 4 (a) An internship or practicum, that is paid or unpaid and is  
5 required to complete a course of vocational training or to obtain a  
6 license or certificate in a high-demand occupation, as determined by  
7 the employment security department. No internship or practicum shall  
8 exceed twelve months; or
- 9 (b) Work associated with the refurbishing of publicly assisted  
10 housing, if sufficient paid employment is not available;
- 11 (4) On-the-job training;
- 12 (5) Job search and job readiness assistance;
- 13 (6) Community service programs, including a recipient's voluntary  
14 service at a child care or preschool facility licensed under chapter  
15 43.215 RCW or an elementary school in which his or her child is  
16 enrolled;
- 17 (7) Vocational educational training, not to exceed twelve months  
18 with respect to any individual;
- 19 (8) Job skills training directly related to employment;
- 20 (9) Education directly related to employment, in the case of a  
21 recipient who has not received a high school diploma or a GED;
- 22 (10) Satisfactory attendance at secondary school or in a course of  
23 study leading to a GED, in the case of a recipient who has not  
24 completed secondary school or received such a certificate;
- 25 (11) The provision of child care services to an individual who is  
26 participating in a community service program;
- 27 (12) Internships, that shall be paid or unpaid work experience  
28 performed by an intern in a business, industry, or government or  
29 nongovernmental agency setting;
- 30 (13) Practicums, which include any educational program in which a  
31 student is working under the close supervision of a professional in an  
32 agency, clinic, or other professional practice setting for purposes of  
33 advancing their skills and knowledge;
- 34 (14) Services required by the recipient under RCW 74.08.025(3) and  
35 74.08A.010(~~(+3)~~) (4) to become employable; (~~and~~)
- 36 (15) Financial literacy activities designed to be effective in  
37 assisting a recipient in becoming self-sufficient and financially  
38 stable; and

1       (16) Parent education services or programs that support development  
2 of appropriate parenting skills, life skills, and employment-related  
3 competencies.

4       **Sec. 9.** RCW 74.20.040 and 2007 c 143 s 5 are each amended to read  
5 as follows:

6       (1) Whenever the department receives an application for public  
7 assistance on behalf of a child, or the department receives an  
8 application for subsidized child care services or working connections  
9 child care services, the department or the department of early learning  
10 shall take appropriate action under the provisions of this chapter,  
11 chapter 74.20A RCW, or other appropriate statutes of this state to  
12 establish or enforce support obligations against the parent or other  
13 persons owing a duty to pay support moneys.

14       (2) The secretary may accept a request for support enforcement  
15 services on behalf of persons who are not recipients of public  
16 assistance and may take appropriate action to establish or enforce  
17 support obligations against the parent or other persons owing a duty to  
18 pay moneys. Requests accepted under this subsection may be conditioned  
19 upon the payment of a fee as required by subsection (6) of this section  
20 or through regulation issued by the secretary. The secretary may  
21 establish by regulation, reasonable standards and qualifications for  
22 support enforcement services under this subsection.

23       (3) The secretary may accept requests for support enforcement  
24 services from child support enforcement agencies in other states  
25 operating child support programs under Title IV-D of the social  
26 security act or from foreign countries, and may take appropriate action  
27 to establish and enforce support obligations, or to enforce subpoenas,  
28 information requests, orders for genetic testing, and collection  
29 actions issued by the other agency against the parent or other person  
30 owing a duty to pay support moneys, the parent or other person's  
31 employer, or any other person or entity properly subject to child  
32 support collection or information-gathering processes. The request  
33 shall contain and be accompanied by such information and documentation  
34 as the secretary may by rule require, and be signed by an authorized  
35 representative of the agency. The secretary may adopt rules setting  
36 forth the duration and nature of services provided under this  
37 subsection.

1 (4) The department may take action to establish, enforce, and  
2 collect a support obligation, including performing related services,  
3 under this chapter and chapter 74.20A RCW, or through the attorney  
4 general or prosecuting attorney for action under chapter 26.09, 26.18,  
5 26.20, 26.21A, or 26.26 RCW or other appropriate statutes or the common  
6 law of this state.

7 (5) Whenever a support order is filed with the Washington state  
8 support registry under chapter 26.23 RCW, the department may take  
9 appropriate action under the provisions of this chapter, chapter 26.23  
10 or 74.20A RCW, or other appropriate law of this state to establish or  
11 enforce the support obligations contained in that order against the  
12 responsible parent or other persons owing a duty to pay support moneys.

13 (6) The secretary, in the case of an individual who has never  
14 received assistance under a state program funded under part A and for  
15 whom the state has collected at least five hundred dollars of support,  
16 shall impose an annual fee of twenty-five dollars for each case in  
17 which services are furnished, which shall be retained by the state from  
18 support collected on behalf of the individual, but not from the first  
19 five hundred dollars of support. The secretary may, on showing of  
20 necessity, waive or defer any such fee or cost.

21 (7) Fees, due and owing, may be retained from support payments  
22 directly or collected as delinquent support moneys utilizing any of the  
23 remedies in chapter 74.20 RCW, chapter 74.20A RCW, chapter 26.21A RCW,  
24 or any other remedy at law or equity available to the department or any  
25 agencies with whom it has a cooperative or contractual arrangement to  
26 establish, enforce, or collect support moneys or support obligations.

27 (8) The secretary may waive the fee, or any portion thereof, as a  
28 part of a compromise of disputed claims or may grant partial or total  
29 charge off of said fee if the secretary finds there are no available,  
30 practical, or lawful means by which said fee may be collected or to  
31 facilitate payment of the amount of delinquent support moneys or fees  
32 owed.

33 (9) The secretary shall adopt rules conforming to federal laws,  
34 including but not limited to complying with section 7310 of the federal  
35 deficit reduction act of 2005, 42 U.S.C. Sec. 654, and rules and  
36 regulations required to be observed in maintaining the state child  
37 support enforcement program required under Title IV-D of the federal  
38 social security act. The adoption of these rules shall be calculated

1 to promote the cost-effective use of the agency's resources and not  
2 otherwise cause the agency to divert its resources from its essential  
3 functions.

4 **Sec. 10.** RCW 74.20.330 and 2007 c 143 s 6 are each amended to read  
5 as follows:

6 (1) Whenever public assistance is paid under a state program funded  
7 under Title IV-A of the federal social security act as amended by the  
8 personal responsibility and work opportunity reconciliation act of  
9 1996, and the federal deficit reduction act of 2005, each applicant or  
10 recipient is deemed to have made assignment to the department of any  
11 rights to a support obligation from any other person the applicant or  
12 recipient may have in his or her own behalf or in behalf of any other  
13 family member for whom the applicant or recipient is applying for or  
14 receiving public assistance, including any unpaid support obligation or  
15 support debt which has accrued at the time the assignment is made.

16 (2) Payment of public assistance under a state-funded program, or  
17 a program funded under Title IV-A, IV-E, or XIX of the federal social  
18 security act as amended by the personal responsibility and work  
19 opportunity reconciliation act of 1996 shall:

- 20 (a) Operate as an assignment by operation of law; and
- 21 (b) Constitute an authorization to the department to provide the  
22 assistance recipient with support enforcement services.

23 (3) Payment for subsidized child care services or working  
24 connections child care services shall constitute an authorization to  
25 the department to provide the recipient of the subsidy with support  
26 enforcement services. The department is authorized to collect, but not  
27 retain, child support payments under this subsection.

28 (4) Effective October 1, 2008, whenever public assistance is paid  
29 under a state program funded under Title IV-A of the federal social  
30 security act as amended by the personal responsibility and work  
31 opportunity reconciliation act of 1996, and the federal deficit  
32 reduction act of 2005, a member of the family is deemed to have made an  
33 assignment to the state any right the family member may have, or on  
34 behalf of the family member receiving such assistance, to support from  
35 any other person, not exceeding the total amount of assistance paid to  
36 the family, which accrues during the period that the family receives  
37 assistance under the program.

1       **Sec. 11.** RCW 43.215.135 and 2010 c 273 s 2 are each amended to  
2 read as follows:

3       (1) The department shall establish and implement policies in the  
4 working connections child care program to promote stability and quality  
5 of care for children from low-income households. Policies for the  
6 expenditure of funds constituting the working connections child care  
7 program must be consistent with the outcome measures defined in RCW  
8 74.08A.410 and the standards established in this section intended to  
9 promote continuity of care for children.

10       (2) As a condition of receiving a child care subsidy or a working  
11 connections child care subsidy, the applicant or recipient must seek  
12 child support enforcement services from the department of social and  
13 health services, division of child support, unless the department finds  
14 that the applicant or recipient has good cause not to cooperate.

15       (3) Except as provided in subsection (4) of this section, an  
16 applicant or recipient of a child care subsidy or a working connections  
17 child care subsidy is eligible to receive that subsidy for six months  
18 before having to recertify his or her income eligibility. The six-  
19 month certification provision applies only if enrollments in the child  
20 care subsidy or working connections child care program are capped.

21       (4) Beginning in fiscal year 2011, for families with children  
22 enrolled in an early childhood education and assistance program, a head  
23 start program, or an early head start program, authorizations for the  
24 working connections child care subsidy shall be effective for twelve  
25 months unless a change in circumstances necessitates reauthorization  
26 sooner than twelve months.

27       ~~((3))~~ (5) The department, in consultation with the department of  
28 social and health services, shall report to the legislature by  
29 September 1, 2011, with:

30       (a) An analysis of the impact of the twelve-month authorization  
31 period on the stability of child care, program costs, and  
32 administrative savings; and

33       (b) Recommendations for expanding the application of the twelve-  
34 month authorization period to additional populations of children in  
35 care.

36       NEW SECTION. **Sec. 12.** A new section is added to chapter 43.215  
37 RCW to read as follows:

1 The department and the department of social and health services, in  
2 consultation with interested individuals and organizations, shall  
3 jointly:

4 (1) Identify different options to track subsidized child care  
5 attendance, including methods using a land line or cellular telephone,  
6 a computer, a point of sale system, or some combination of these  
7 methods and report their recommended method to the legislature no later  
8 than December 31, 2011. Each department's recommendations must include  
9 implementation issues to be addressed and a proposed implementation  
10 timeline, and should assume a January 2013 implementation date for the  
11 attendance tracking system. The legislature shall review the  
12 recommendations and authorize implementation. The method that is  
13 chosen must interface smoothly with the current and future payment  
14 systems for subsidized child care payments.

15 (2) Conduct an assessment of the current subsidized child care  
16 eligibility determination system and develop recommendations to improve  
17 the accuracy, efficiency, and responsiveness of the system, including  
18 consideration of the most appropriate entity or entities to make  
19 eligibility determinations. The results of the assessment shall be  
20 reported to the legislature no later than December 31, 2011.

21 NEW SECTION. **Sec. 13.** (1) The department of social and health  
22 services, in consultation with its electronic benefits card contractor  
23 and interested persons and organizations, shall develop strategies to  
24 increase opportunities for public assistance recipients to maintain  
25 bank accounts, with a goal of increasing recipient financial literacy  
26 and financial management skills and minimizing recipient costs  
27 association with automatic teller machine transaction fees. A report  
28 and recommendations shall be submitted to the relevant policy and  
29 fiscal committees of the legislature by December 1, 2011.

30 (2) The department of social and health services shall, in  
31 contracting with electronic benefit card providers, require that any  
32 surcharge or transaction fee charged by the provider be disclosed to  
33 electronic benefit card clients at the point in which the surcharge or  
34 transaction fee occurs.

35 **Sec. 14.** RCW 74.08.580 and 2002 c 252 s 1 are each amended to read  
36 as follows:

1 (1) Any person receiving public assistance is prohibited from using  
2 electronic benefit cards or cash obtained with electronic benefit  
3 cards:

4 (a) For the purpose of participating in any of the activities  
5 authorized under chapter 9.46 RCW;

6 (b) For the purpose of parimutuel wagering authorized under chapter  
7 67.16 RCW; (~~or~~)

8 (c) To purchase lottery tickets or shares authorized under chapter  
9 67.70 RCW;

10 (d) For the purpose of participating in or purchasing any  
11 activities located in a tattoo, body piercing, or body art shop  
12 licensed under chapter 18.300 RCW;

13 (e) To purchase cigarettes as defined in RCW 82.24.010 or tobacco  
14 products as defined in RCW 82.26.010;

15 (f) To purchase any items regulated under Title 66 RCW; or

16 (g) For the purpose of purchasing or participating in any  
17 activities in any location listed in subsection (2) of this section.

18 (2) On or before January 1, 2012, the businesses listed in this  
19 subsection must disable the ability of ATM and point-of-sale machines  
20 located on their business premises to accept the electronic benefit  
21 card. The following businesses are required to comply with this  
22 mandate:

23 (a) Taverns licensed under RCW 66.24.330;

24 (b) Beer/wine specialty stores licensed under RCW 66.24.371;

25 (c) Nightclubs licensed under RCW 66.24.600;

26 (d) Contract liquor stores defined under RCW 66.04.010;

27 (e) Bail bond agencies regulated under chapter 18.185 RCW;

28 (f) Gambling establishments licensed under chapter 9.46 RCW;

29 (g) Tattoo, body piercing, or body art shops regulated under  
30 chapter 18.300 RCW;

31 (h) Adult entertainment venues with performances that contain  
32 erotic material where minors under the age of eighteen are prohibited  
33 under RCW 9.68A.150; and

34 (i) Any establishments where persons under the age of eighteen are  
35 not permitted.

36 (3) The department must notify the licensing authority of any  
37 business listed in subsection (2) of this section that such business



1 has continued to allow the use of the electronic benefit card in  
2 violation of subsection (2) of this section.

3 (4) Only the recipient, an eligible member of the household, or the  
4 recipient's authorized representative may use an electronic benefit  
5 card or the benefit and such use shall only be for the respective  
6 benefit program purposes. The recipient shall not sell, or attempt to  
7 sell, exchange, or donate an electronic benefit card or any benefits to  
8 any other person or entity.

9 (5) The first violation of subsection (1) or (4) of this section by  
10 a recipient constitutes a class 4 civil infraction under RCW 7.80.120.  
11 Second and subsequent violations of subsection (1) or (4) of this  
12 section constitute a class 3 civil infraction under RCW 7.80.120.

13 (a) The department shall notify, in writing, all recipients of  
14 electronic benefit cards that any violation of subsection (1) or (4) of  
15 this section could result in legal proceedings and forfeiture of all  
16 cash public assistance.

17 (b) Whenever the department receives notice that a person has  
18 violated subsection (1) or (4) of this section, the department shall  
19 notify the person in writing that the violation could result in legal  
20 proceedings and forfeiture of all cash public assistance.

21 (c) The department shall assign a protective payee to the person  
22 receiving public assistance who violates subsection (1) or (4) of this  
23 section two or more times.

24 NEW SECTION. Sec. 15. A new section is added to chapter 66.24 RCW  
25 to read as follows:

26 The board shall immediately suspend the license of a business that  
27 has been issued a license under RCW 66.24.330, 66.24.371, or 66.24.600  
28 if the board receives information that the business has not complied  
29 with RCW 74.08.580(2). If the licensee has remained otherwise eligible  
30 to be licensed, the board may reinstate the suspended license when the  
31 business has complied with RCW 74.08.580(2).

32 **Sec. 16.** RCW 66.16.041 and 2005 c 151 s 6 are each amended to read  
33 as follows:

34 (1) The state liquor control board shall accept bank credit card  
35 and debit cards for purchases in state liquor stores, under such rules  
36 as the board may adopt. The board shall authorize contract liquor

1 stores appointed under RCW 66.08.050 to accept bank credit cards and  
2 debit cards for liquor purchases under this title, under such rules as  
3 the board may adopt.

4 (2) If a contract liquor store chooses to use credit or debit cards  
5 for liquor purchases, the board shall provide equipment and  
6 installation and maintenance of the equipment necessary to implement  
7 the use of credit and debit cards. Any equipment provided by the board  
8 to a contract liquor store for this purpose may be used only for the  
9 purchase of liquor.

10 (3) It is the board's responsibility to ensure that the equipment  
11 used by the contract liquor stores to accept debit or credit cards for  
12 liquor purchases complies with the requirements of RCW 74.08.580(2)  
13 with regard to point-of-sale machines.

14 (4) It is the contract liquor store's responsibility to comply with  
15 the requirements of RCW 74.08.580(2) pertaining to the use of  
16 electronic benefit transfer cards in ATM machines located on the  
17 contract liquor store premises. The board shall immediately suspend  
18 the contract it has with the contract liquor store if it receives  
19 information that the store has not complied with RCW 74.08.580(2). The  
20 board may reinstate the suspended contract when the contract liquor  
21 store has complied with RCW 74.08.580(2).

22 NEW SECTION. Sec. 17. A new section is added to chapter 18.300  
23 RCW to read as follows:

24 The department of licensing shall immediately suspend any license  
25 under this chapter if the department receives information that the  
26 license holder has not complied with RCW 74.08.580(2). If the license  
27 holder has remained otherwise eligible to be licensed, the department  
28 may reinstate the suspended license when the holder has complied with  
29 RCW 74.08.580(2).

30 NEW SECTION. Sec. 18. A new section is added to chapter 18.185  
31 RCW to read as follows:

32 The director shall immediately suspend any license issued under  
33 this chapter if the director receives information that the license  
34 holder has not complied with RCW 74.08.580(2). If the license holder  
35 has otherwise remained eligible to be licensed, the director may

1 reinstate the suspended license when the holder has complied with RCW  
2 74.08.580(2).

3 **Sec. 19.** RCW 9.46.410 and 2002 c 252 s 2 are each amended to read  
4 as follows:

5 (1) Any licensee authorized under this chapter is prohibited from  
6 allowing the use of public assistance electronic benefit cards for the  
7 purpose of participating in any of the activities authorized under this  
8 chapter.

9 (2) Any licensee authorized under this chapter shall report to the  
10 department of social and health services any known violations of RCW  
11 74.08.580.

12 (3) Any licensee authorized under this chapter is required to  
13 comply with RCW 74.08.580(2). If the licensee fails to comply with RCW  
14 74.08.580(2), its license shall be immediately suspended until it  
15 complies with RCW 74.08.580(2). If the licensee remains otherwise  
16 eligible to be licensed, the commission may reinstate the license once  
17 the licensee has complied with RCW 74.08.580(2).

18 NEW SECTION. **Sec. 20.** The legislature finds that eliminating  
19 waste, fraud, and abuse of public assistance benefits should be a  
20 priority of the department of social and health services, and this can  
21 best be reflected in a newly organized, accountable, and proactive  
22 fraud unit directly under the secretary's authority with the resources  
23 necessary to combat fraud and to ensure the confidence of the public in  
24 the critical social safety net programs it funds.

25 NEW SECTION. **Sec. 21.** A new section is added to chapter 74.04 RCW  
26 to read as follows:

27 The definitions in this section apply throughout this chapter  
28 unless the context clearly requires otherwise.

29 (1) "Abuse" means any intentional use of public assistance benefits  
30 that constitutes a violation of any state statute or regulation  
31 relating to the use of public assistance benefits. This definition  
32 excludes medicaid and other medical programs as defined in chapter  
33 74.09 RCW, and fraud and abuse committed by medical providers and  
34 recipients of medicaid and other medical program services.

1 (2) "Disclosable information" means public information that (a) is  
2 not exempt from disclosure under chapter 42.56 RCW; and (b) does not  
3 pertain to an ongoing investigation.

4 (3) "Fraud" means an intentional deception or misrepresentation  
5 made by a person with the knowledge that the deception could result in  
6 some unauthorized benefit to himself or herself or some other person.

7 (4) "Office" means the office of fraud and accountability.

8 (5) "Public assistance" or "public assistance programs" means  
9 public aid to persons in need including assistance grants, food  
10 assistance, work relief, disability lifeline benefits, temporary  
11 assistance for needy families, and, for purposes of this section,  
12 working connections child care subsidies. This definition excludes  
13 medicaid and other medical programs as defined in chapter 74.09 RCW,  
14 and fraud and abuse committed by medical providers and recipients of  
15 medicaid and other medical program services.

16 **Sec. 22.** RCW 74.04.012 and 2008 c 74 s 3 are each amended to read  
17 as follows:

18 (1) There is established ((a-unit)) an office of fraud and  
19 accountability within the department for the purpose of detection,  
20 investigation, and prosecution of any act prohibited or declared to be  
21 unlawful in the public assistance programs administered by the  
22 department. The secretary will employ qualified supervisory, legal,  
23 and investigative personnel for the program. Program staff must be  
24 qualified by training and experience.

25 (2) The director of the office of fraud and accountability is the  
26 head of the office and is selected by the secretary and must  
27 demonstrate suitable capacity and experience in law enforcement  
28 management, public administration, and criminal investigations. The  
29 director of the office of fraud and accountability shall:

30 (a) Report directly to the secretary; and

31 (b) Ensure that each citizen complaint, employee complaint, law  
32 enforcement complaint, and agency referral is assessed and, when risk  
33 of fraud or abuse is present, is fully investigated, and is referred  
34 for prosecution or recovery when there is substantial evidence of  
35 wrongdoing.

36 (3) The office shall:

1        (a) Conduct independent and objective investigations into  
2 allegations of fraud and abuse, make appropriate referral to law  
3 enforcement when there is substantial evidence of criminal activity,  
4 and recover overpayment whenever possible and to the greatest possible  
5 degree;

6        (b) Recommend policies, procedures, and best practices designed to  
7 detect and prevent fraud and abuse, and to mitigate the risk for fraud  
8 and abuse and assure that public assistance benefits are being used for  
9 their statutorily stated goals;

10       (c) Analyze cost-effective, best practice alternatives to the  
11 current cash benefit delivery system consistent with federal law to  
12 ensure that benefits are being used for their intended purposes; and

13       (d) Use best practices to determine appropriate utilization and  
14 deployment of investigative resources, ensure that resources are  
15 deployed in a balanced and effective manner, and use all available  
16 methods to gather evidence necessary for proper investigation and  
17 successful prosecution.

18       (4) By December 31, 2011, the office shall report to the  
19 legislature on the development of the office, identification of any  
20 barriers to meeting the stated goals of the office, and recommendations  
21 for improvements to the system and laws related to the prevention,  
22 detection, and prosecution of fraud and abuse in public assistance  
23 programs.

24       **Sec. 23.** RCW 43.20A.605 and 2009 c 549 s 5078 are each amended to  
25 read as follows:

26       (1) The secretary or a designee shall have full authority to  
27 administer oaths and take testimony thereunder, to issue subpoenas  
28 requiring the attendance of witnesses before him or her together with  
29 all books, memoranda, papers, and other documents, articles or  
30 instruments, and to compel the disclosure by such witnesses of all  
31 facts known to them relative to the matters under investigation.

32       (2) Subpoenas issued in adjudicative proceedings are governed by  
33 RCW 34.05.588(1).

34       (3) Subpoenas issued in the conduct of investigations required or  
35 authorized by other statutory provisions or necessary in the  
36 enforcement of other statutory provisions shall be governed by RCW  
37 34.05.588(2).

1       (4) When a judicially approved subpoena is required by law, the  
2 secretary or designee may apply for and obtain a superior court order  
3 approving and authorizing a subpoena in advance of its issuance. The  
4 application may be made in the county where the subpoenaed person  
5 resides or is found, or in the county where the subpoenaed documents,  
6 records, or evidence are located, or in Thurston county. The  
7 application must:

8       (a) State that an order is sought under this section;

9       (b) Adequately specify the documents, records, evidence, or  
10 testimony; and

11       (c) Include a declaration made under oath that an investigation is  
12 being conducted for a lawfully authorized purpose related to an  
13 investigation within the department's authority and that the subpoenaed  
14 documents, records, evidence, or testimony are reasonably related to an  
15 investigation within the department's authority.

16       (5) When an application under subsection (4) of this section is  
17 made to the satisfaction of the court, the court must issue an order  
18 approving the subpoena. When a judicially approved subpoena is  
19 required by law, an order under this subsection constitutes authority  
20 of law for the agency to subpoena the documents, records, evidence, or  
21 testimony.

22       (6) The secretary or designee may seek approval and a court may  
23 issue an order under this section without prior notice to any person,  
24 including the person to whom the subpoena is directed and the person  
25 who is the subject of an investigation. An application for court  
26 approval is subject to the fee and process set forth in RCW  
27 36.18.012(3).

28       NEW SECTION. Sec. 24. A new section is added to chapter 74.04 RCW  
29 to read as follows:

30       (1) In carrying out the provisions of this chapter, the office of  
31 fraud and accountability shall have prompt access to all individuals,  
32 records, electronic data, reports, audits, reviews, documents, and  
33 other materials available to the department of revenue, department of  
34 labor and industries, department of early learning, employment security  
35 department, department of licensing, and any other government entity  
36 that can be used to help facilitate investigations of fraud or abuse as

1 determined necessary by the director of the office of fraud and  
2 accountability.

3 (2) Information gathered by the department, the office, or the  
4 fraud ombudsman shall be safeguarded and remain confidential as  
5 required by applicable state or federal law. Whenever information or  
6 assistance requested under subsection (1) of this section is, in the  
7 judgment of the director, unreasonably refused or not provided, the  
8 director of the office of fraud and accountability must report the  
9 circumstances to the secretary immediately.

10 **Sec. 25.** RCW 49.60.210 and 1992 c 118 s 4 are each amended to read  
11 as follows:

12 (1) It is an unfair practice for any employer, employment agency,  
13 labor union, or other person to discharge, expel, or otherwise  
14 discriminate against any person because he or she has opposed any  
15 practices forbidden by this chapter, or because he or she has filed a  
16 charge, testified, or assisted in any proceeding under this chapter.

17 (2) It is an unfair practice for a government agency or government  
18 manager or supervisor to retaliate against a whistleblower as defined  
19 in chapter 42.40 RCW.

20 (3) It is an unfair practice for any employer, employment agency,  
21 labor union, government agency, government manager, or government  
22 supervisor to discharge, expel, discriminate, or otherwise retaliate  
23 against an individual assisting with an office of fraud and  
24 accountability investigation under RCW 74.04.012, unless the individual  
25 has willfully disregarded the truth in providing information to the  
26 office.

27 **NEW SECTION. Sec. 26.** A new section is added to chapter 43.09 RCW  
28 to read as follows:

29 (1) The auditor shall appoint a fraud ombudsman to audit the work  
30 of the office of fraud and accountability within the department of  
31 social and health services. The ombudsman shall review the fraud  
32 investigative work done by the office including cases filed with local  
33 prosecuting authorities. The ombudsman also shall have authority to  
34 investigate citizen complaints made to the auditor's office regarding  
35 fraud and abuse investigations conducted by, or declined to be  
36 conducted by, the office of fraud and accountability. The department

1 of social and health services shall provide the ombudsman with access  
2 to any relevant records it has in its possession related to a fraud or  
3 abuse investigation as determined by the fraud ombudsman, including  
4 access to electronic benefit transfer card transaction data.

5 (2) The fraud ombudsman shall have access to persons within the  
6 office of fraud and accountability for purposes of interviews and  
7 evaluation.

8 (3) The fraud ombudsman must submit a report summarizing its  
9 auditing activities of the office of fraud and accountability to the  
10 appropriate committees of the legislature by November 30, 2012, and  
11 biennially thereafter. The office of fraud and accountability shall  
12 assist the ombudsman to the fullest extent practicable in producing  
13 this report. The report shall contain only information consistent with  
14 the requirements of chapter 42.56 RCW and any other applicable state or  
15 federal laws, including:

16 (a) A description of significant fraud or abuse, and of  
17 vulnerabilities or deficiencies relating to the prevention and  
18 detection of fraud or abuse in public assistance programs, discovered  
19 as a result of investigations completed during the reporting period;

20 (b) Recommendations for improving the activities of the office of  
21 fraud and accountability with respect to the vulnerabilities or  
22 deficiencies identified under (a) of this subsection;

23 (c) An identification of each significant recommendation described  
24 in the previous reports on which corrective action has, or has not,  
25 been completed;

26 (d) The response from the office of fraud and accountability to any  
27 of the report findings, recommendations, or information provided in the  
28 report;

29 (e) A summary of matters referred to prosecuting authorities during  
30 the reporting period and the charges filed and convictions entered  
31 during the reporting period that have resulted from referrals by the  
32 office of fraud and accountability; and

33 (f) A description of the ease of access allowed by the office of  
34 fraud and accountability to all necessary data and personnel for  
35 purposes of conducting the audit.

36 (4) Information gathered by department staff, the office of fraud  
37 and accountability, and the fraud ombudsman shall be safeguarded and  
38 remain confidential as required by applicable state and federal law.



1        NEW SECTION.    **Sec. 27.**    A new section is added to chapter 43.20A  
2    RCW to read as follows:

3        No later than January 1, 2012, the department shall establish an  
4    employee incentive program pilot for those employees who work directly  
5    with participants in the WorkFirst program.    The pilot shall provide  
6    for eight hours of paid annual leave per year, in addition to the  
7    annual leave the employee normally accrues, for those employees who  
8    assist participants in meeting certain outcomes to be established by  
9    the department.    The outcomes established must be of significance for  
10   the participant and can include achieving unsubsidized employment or  
11   the removal of a significant barrier to unsubsidized employment.    The  
12   department shall report to the legislature by January 1, 2013, on the  
13   implementation of the pilot project, including how many employees  
14   received paid annual leave, what outcomes were achieved, and the  
15   savings associated with the achievement of the outcomes.

16        NEW SECTION.    **Sec. 28.**    Except for section 6 of this act, this act  
17   is necessary for the immediate preservation of the public peace,  
18   health, or safety, or support of the state government and its existing  
19   public institutions, and takes effect July 1, 2011.

20        NEW SECTION.    **Sec. 29.**    Section 6 of this act takes effect  
21   September 1, 2011."

22        Correct the title.

--- END ---