

SENATE BILL REPORT

SB 5660

As Reported by Senate Committee On:
Human Services & Corrections, February 17, 2011

Title: An act relating to public assistance.

Brief Description: Revising public assistance provisions.

Sponsors: Senators Regala, Hargrove and Stevens.

Brief History:

Committee Activity: Human Services & Corrections: 2/03/11, 2/17/11 [DPS-WM].

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Majority Report: That Substitute Senate Bill No. 5660 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Hargrove, Chair; Regala, Vice Chair; Stevens, Ranking Minority Member; Baxter, Carrell, Harper and McAuliffe.

Staff: Jennifer Strus (786-7316)

Background: The full amount of the Temporary Assistance for Needy Families (TANF) block grant is appropriated to the Department of Social and Health Services (DSHS) each year in the appropriations act to carry out the TANF, Work First and Working Connections Child Care (WCCC) programs.

Every TANF recipient is to be assessed after being found eligible for TANF and before referral to job search. Assessments are to be based upon factors that are critical to obtaining employment including education, child care availability, family violence history, substance abuse history, and other factors that affect employability. Based upon the assessment, an individual responsibility plan must be prepared that accomplishes the following:

- sets forth an employment goal and a plan for maximizing the recipient's success at meeting the employment goal;
- considers Work First educational and training programs from which the recipient could benefit;
- contains an obligation by the recipient that he or she will participate;
- moves the recipient into full-time Work First activities as soon as possible; and

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- describes the services available to the recipient either during or after Work First to enable the recipient to obtain and keep employment, advance in the workplace, and increase his or her earning potential over time.

Persons receiving public assistance cannot use their electronic benefits cards (EBT) or cash obtained with the EBT card for the following:

- for the purpose of participating in any gambling activities;
- for the purpose of participating in parimutuel wagering; or
- to purchase lottery tickets or shares.

The Caseload Forecast Council currently produces an unofficial forecast of the TANF program.

Summary of Bill (Recommended Substitute): The TANF block grant is to be appropriated to the Department of Social and Health Services (DSHS) each year in the appropriations act subject to the following restrictions:

- the amount appropriated to DSHS for cash assistance may only be spent for cash assistance;
- the amount appropriated for Work First activities cannot be exceeded and may be transferred within Work First activities, including to other state agencies that provide some of the activities; and
- no more than 15 percent of the total amount of the TANF block grant may be spent for administrative purposes.

The full amount of the Child Care Development Fund is to be appropriated to the Department of Early Learning (DEL) each year in the appropriations act to carry out the provisions of WCCC program, child care quality programs, and child care licensing functions. DEL must transfer to DSHS sufficient funds to perform WCCC eligibility determinations, service authorizations and child care provider payments. During the 2011-13 biennium, the eligibility limit for WCCC is 175 percent of the federal poverty level.

DSHS must conduct an initial comprehensive family assessment at program entry. The assessment is to be designed so that it can be used by other agencies which may provide services to the recipient and his or her family. One of the major outcomes of the assessment is to identify families for whom barrier resolution is appropriate. After the assessment is completed, DSHS must involve the family in another evaluation designed to identify the appropriate work preparation activity and service level for the recipient.

DSHS must also explore the use of a predictive modeling tool to be used to identify risk factors affecting a recipient's employability. The tool should be designed to assist DSHS in identifying families who are at high-risk of long stays on TANF and those who are likely to exit relatively quickly from the program. DSHS is to accomplish these responsibilities within current funding.

DSHS must continuously monitor the progress of each recipient in completing his or her plan. DSHS must also monitor the outcomes produced by the skills training and services provided to a recipient to determine whether the training and services are achieving the outcomes set by DSHS.

In determining an applicant or recipient's eligibility for TANF, a household member's supplemental security income (SSI) grant cannot be considered.

During the 2011-13 biennium, the grant standard for TANF remains at the standard set in the supplemental budget, which represents a 15 percent reduction from the 2009 grant level. For the 2011-13 biennium, except for those persons exempt from the 60-month time limit, no recipient may receive TANF for more than 60 months. Recipients with a child under age six who are required to participate in a work activity may not be required to participate in that activity for more than 20 hours per week.

By December 31, 2011, DEL, with the assistance of DSHS, must develop and implement an EBT system for the delivery of subsidized child care.

The State Auditor must appoint a fraud ombudsman whose responsibility it is to review and audit the fraud investigative work done by the Division of Fraud Investigations (DFI), or its successor within DSHS. The ombudsman also has authority to investigate citizen complaints related to fraud and abuse in the TANF program. DSHS must provide the ombudsman with access to any relevant records related to a fraud or abuse investigation. By November 30, 2012, and biennially thereafter, the ombudsman must submit a report summarizing its audit activities of DFI to the appropriate committees of the Legislature.

Persons receiving public assistance cannot use their electronic benefits cards (EBT) or cash obtained with the EBT card for the following:

- to participate in or purchase any activities located in a tattoo, body piercing or body art shop;
- to purchase cigarettes;
- to purchase alcohol;
- to purchase or participate in any activities located in an adult entertainment venue with performances that contain content where minors under age 18 are prohibited; or
- to participate in or purchase any activities or items located in an establishment where persons under age 18 are not permitted.

The Caseload Forecast Council must produce a courtesy forecast for the TANF program.

EFFECT OF CHANGES MADE BY HUMAN SERVICES & CORRECTIONS COMMITTEE (Recommended Substitute): For the 2011-13 biennium, the eligibility limit for WCCC is set at 175 percent of the FPL. During the 2011-13 biennium, the 15 percent reduction in the TANF grant instituted in the 2010 supplemental is continued. A household member's SSI grant cannot be considered when determining eligibility of an applicant or recipient for TANF. Unless exempt, no recipient may receive TANF for more than five years. Recipients with children under age six who are required to participate in work activity cannot be required to participate more than 20 hours per week. DSHS and DEL must institute an EBT system for the child care subsidy program. The Caseload Forecast Council is to provide the Legislature with a courtesy copy of the TANF caseload. A fraud ombudsman is created in the State Auditor's Office to oversee the work of the Division of Fraud Investigations within DSHS.

Appropriation: None.

Fiscal Note: Requested on February 2, 2011.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: The three themes in this bill are (1) accountability to the taxpayers; (2) accountability of the recipients; and (3) accountability of the programs used to assist TANF families actually produce positive outcomes for those families. This bill provides a good platform for the Legislature to move forward with the recommendations for TANF redesign group. We need to get TANF recipients to self-sufficiency and the way to do that is not to treat every recipient the same which is why the assessments laid out in this bill are so important. This bill provides a balanced and thoughtful approach to revamping the TANF program and taking back the TANF box. The Legislature is making some very tough decisions this session and there is no reason for the Legislature to abdicate its responsibility in public assistance. The Legislature needs to make the tough decisions in public assistance just like it is doing in other areas of the budget.

CON: Most public assistance recipients use their benefits the way they are supposed to but we would not be good stewards of public funds if we did not aggressively deal with illegal use. Now is not the time to create barriers to DSHS's ability to administer the WorkFirst program by taking back the box. To put more requirements on how TANF dollars can be spent in these financially troubling times is ill-advised. The Governor feels strongly that TANF money is for TANF families and that the first people served with those dollars are TANF eligible families. Legislation is not necessary to tell DSHS to do a different assessment model or how case management should work. DSHS has already publicly committed to making these changes. We want to further expand the section on how TANF dollars can be spent. The amendment to the Caseload Forecast section of the statute makes TANF an entitlement when it is not. DSHS is creating an Office of Program Integrity and that office will be directly under the Secretary.

OTHER: We remain concerned about how some of these changes will impact grocery stores and their employees.

Persons Testifying: PRO: Senator Regala, prime sponsor; Lonnie Johns-Brown, Welfare Advocates Group; Tony Lee, Solid Ground; Robin Zukoski, Columbia Legal Services.

CON: Susan Dreyfus, DSHS.

OTHER: Holly Chisa, NW Grocery Association; Jan Gee, WA Food Industry Assn.