

SENATE BILL REPORT

SB 6411

As of February 7, 2012

Title: An act relating to the WorkFirst program.

Brief Description: Concerning expenditures of the WorkFirst program.

Sponsors: Senators Regala, Stevens, Hargrove and Shin.

Brief History:

Committee Activity: Human Services & Corrections: 1/31/12, 2/02/12 [DP-WM].
Ways & Means: 2/06/12.

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Majority Report: Do pass and be referred to Committee on Ways & Means.

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

Staff: Jennifer Strus (786-7316)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Jenny Greenlee (786-7711)

Background: Creation of the Temporary Assistance to Needy Families (TANF) Program. Before 1997 Washington operated a welfare program for low-income families with children called Aid to Families with Dependent Children (AFDC). If a family had children under the age of 18 years and met income and resource requirements, the family was entitled to cash assistance under AFDC and medical coverage under Medicaid.

In 1996 the United States Congress enacted the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This act replaced the AFDC program with a new program called the TANF program. Under this federally funded program for public assistance, the states were required to implement reforms as set forth by Congress. Instead of an uncapped federal funding formula based upon the state's caseload, a capped federal block grant was provided to the states.

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.

WorkFirst. In 1997 the Legislature passed Engrossed House Bill 3901, which implemented the reforms required by Congress. To receive the block grant authorized under the federal legislation, the states were required to establish a program to move TANF recipients into permanent jobs. Under the federal TANF legislation, the receipt of continued assistance was conditioned upon the individual's participation in work activities. In response to this requirement under the federal law, the Legislature created the Washington WorkFirst program (WorkFirst).

When WorkFirst began in 1997, it was decided that the heads of the partner agencies listed above would form the WorkFirst SubCabinet Structure. The subcabinet is comprised of the heads of the following state agencies: Department of Social and Health Services (DSHS), the Department of Early Learning, the Department of Commerce, the Employment Security Department, the State Board for Community and Technical Colleges and the Office of Financial Management. The group is chaired by the secretary of DSHS and meets several times a year to coordinate and make decisions about high-level policy and budget issues.

The TANF Block Grant. Under the 1997 state legislation, DSHS was required to operate WorkFirst. Under the new statute, the full amount of the block grant, as well as any state funds appropriated by the Legislature, were required to be appropriated to DSHS to carry out the provisions of WorkFirst, including child care programs. DSHS was permitted to expend funds in any manner to effectively accomplish outcome measures defined in the legislation, rather than by specific appropriation by the Legislature. The expenditure of those funds was overseen by the WorkFirst subcabinet. DSHS was required to monitor expenditures against the appropriation levels provided.

Summary of Bill: The provisions requiring the full amount of the TANF block grant and any state funds to be appropriated to DSHS is removed. The language allowing DSHS to expend the TANF block grant and any state funds in any manner that will accomplish the outcome measures in statute is also removed. Language related to prior fiscal biennia is removed.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2012.

Staff Summary of Public Testimony (Human Services & Corrections): PRO: It is time for the Legislature to have an understanding and control over this part of the state budget, just as you do over every other part of the state budget. The fact that we have had to form a specific Task Force to keep on top of what's going on in TANF was particularly necessary because of the way the legislation was structured in 1997. You should have all the money in the budget in front of you and be able to make budget decisions accordingly.

OTHER: The Governor is committed to a partnership in working on TANF funding issues. There was an unprecedented amount of change in TANF the last few years. The Governor

needs flexibility in this program as revenues fluctuate and as DSHS implements changes to the program as directed by SB 5921 and the WorkFirst Redesign process. Want to find stability in the program, especially for the children and families in the program. DSHS is committed to full transparency in the program and legislative involvement in decisions regarding the program.

Persons Testifying (Human Services & Corrections): PRO: Lonnie Johns-Brown, Welfare Advocates Group.

OTHER: Robin Arnold-Williams, DSHS; Alexis Oliver, Executive Policy Office.

Staff Summary of Public Testimony (Ways & Means): PRO: This bill does not have a fiscal impact to the state, but it will bring oversight and accountability to the TANF program. Washington is the only state with executive branch control of the TANF block grant. The Legislature has not been actively involved in overseeing the program, but this bill will allow greater oversight of the TANF program by the Legislature.

Persons Testifying (Ways & Means): PRO: Laurie Lippold, Children's Alliance.