

HOUSE BILL REPORT

ESHB 1875

As Amended by the Senate

Title: An act relating to the definition of work activity for the purposes of the WorkFirst program.

Brief Description: Concerning the definition of work activity for the purposes of the WorkFirst program.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Walsh, Kagi, Johnson, Sawyer, Pettigrew, Moscoso, Zeiger, Ormsby, Appleton and Young).

Brief History:

Committee Activity:

Early Learning & Human Services: 2/11/15, 2/17/15 [DP];
Appropriations: 2/25/15, 2/27/15 [DPS].

Floor Activity:

Passed House: 3/4/15, 90-6.

Floor Activity:

Passed House: 2/10/16, 89-7.
Senate Amended.
Passed Senate: 3/4/16, 48-0.

Brief Summary of Engrossed Substitute Bill

- Extends the period of time that a WorkFirst participant may receive vocational training from 12 months to 24 months.
- Replaces the 24-month limit for vocational education training with a 12-month limit effective August 1, 2019.

HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

Majority Report: Do pass. Signed by 7 members: Representatives Kagi, Chair; Senn, Vice Chair; Walsh, Ranking Minority Member; Hawkins, Kilduff, Ortiz-Self and Walkinshaw.

Minority Report: Do not pass. Signed by 3 members: Representatives Dent, Assistant Ranking Minority Member; McCaslin and Scott.

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.

Staff: Ashley Paintner (786-7120).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Buys, Carlyle, Cody, Haler, Hansen, Hudgins, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Magendanz, Pettigrew, Sawyer, Schmick, Senn, Springer, Stokesbary, Sullivan, Tharinger, Walkinshaw, Fagan and Hunter.

Minority Report: Do not pass. Signed by 6 members: Representatives Chandler, Ranking Minority Member; Condotta, Dent, Taylor, Van Werven and G. Hunt.

Minority Report: Without recommendation. Signed by 2 members: Representatives Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member.

Staff: Melissa Palmer (786-7388).

Background:

Temporary Assistance for Needy Families.

Temporary Assistance for Needy Families (TANF) is a federal block grant established under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The TANF program replaced the Aid to Families with Dependent Children program, which had provided grants to poor families with children since the 1930s.

States use TANF block grants to operate their own programs. State programs differ, but operate in accordance with the following purposes set forth in federal law:

- to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- encourage the formation and maintenance of two-parent families.

In addition to money received from the federal government, states are required to spend their own funds on programs for needy families or face financial penalties; this is referred to as the Maintenance of Effort, or MOE, requirement.

WorkFirst.

Washington's TANF program is called WorkFirst and is administered by the Department of Social and Health Services (DSHS). Under the WorkFirst program, eligible adults receive various forms of assistance while they participate in activities that will help them connect to the workforce. The federal statutes require a certain participation rate for adults receiving TANF benefits, and states may be penalized if they fail to meet the required participation rate. Federal statute defines both the activity as well as the length of time that a WorkFirst participant may spend on that activity. These definitions are also codified in state law. A

work activity includes unsubsidized and subsidized paid employment, internships, on-the-job training, job search and job readiness assistance, vocational education training, education, and other activities.

Under current law, a WorkFirst participant's vocational education training may not exceed 12 months.

Summary of Engrossed Substitute Bill:

The amount of vocational training that a WorkFirst participant may receive is increased from 12 months to 24 months, subject to amounts appropriated. Effective August 1, 2019, the 24-month limit for vocational education training is replaced with a 12-month limit.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment limits the 24-month extension of vocational training for WorkFirst participants to only apply for high-demand/high-wage jobs, which is defined in the bill. Additionally, the authorization to exceed the 12-month limit is contingent upon the individual making progress towards successful completion of the program; and can only apply during state fiscal years in which the DSHS projects that the state will be in compliance with federal TANF work participation requirements.

The Senate amendment adds the requirement that the Joint Legislative Audit and Review Committee conduct a sunset review by August 1, 2021 on the time limit extension from 12 months to 24 months for purposes of vocational education training for WorkFirst participants and repeals section 1 of the bill effective August 1, 2022.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony (Early Learning & Human Services):

(In support) The WorkFirst program should allow people to earn a certificate or some type of degree. Currently, only 14-16 percent of individuals enrolled in vocational education through the WorkFirst program obtain a certificate or degree. If the state is going to spend money on this program, they should invest in 24 months. This will increase the opportunity for these individuals to obtain a family wage job, which will keep them off of state benefits in the future.

This bill is an efficiency bill in how the state delivers WorkFirst services to families in Washington. Not all the programs that are available through vocational education can be completed in 24 months. This bill would allow individuals to finish necessary prerequisites, complete a certificate or degree, and increase their employability and job skills.

The most popular program upon entry into WorkFirst vocational education is nursing, which requires several quarters of prerequisites to prepare for the program, three quarters of coursework to complete a licensed practical nurse degree, and another three quarters to obtain a registered nurse degree. Extending the time limit to 24 months would afford aspiring nursing students a great opportunity to obtain their dreams and goals. By increasing the eligibility period for TANF recipients, the state is also increasing the number of programs available to these individuals in high-demand jobs.

In 2005 the federal government added a requirement that a certain percentage of our TANF population needs to be participating in approved federal activities in order for us not to have a fiscal penalty. Under this bill, the state would approve the second year of participation and the additional 12 months would not count towards the federal participation requirements.

This bill is not an entitlement to education. The DSHS does an extensive evaluation of recipients and determines whether or not education is appropriate. Following this evaluation, the community colleges do their own set of assessments to determine who within this subset can be successful in community college. This bill, while critically important to the people who are appropriately in the vocational training program, will not impact the majority of TANF recipients. However, every family the state can move from public assistance to a living wage job is an investment worth making. This bill does a simple thing. The state has a barrier to two-year education programs and this barrier is holding some families back. The state should change the vocational education period from 12 to 24 months and allow these families to be successful.

(Opposed) None.

Staff Summary of Public Testimony (Appropriations):

(In support) The policy that limits vocational education to 12 months for WorkFirst clients is counterintuitive. Only 14 to 16 percent of people with one year of education are able to achieve substantial employment. The first year of education is often remedial, but the second year of education can allow a person to get a degree, which can lead to a family-wage job. Obtaining a higher paying job can assist people in leaving public assistance and remaining off public assistance. Limiting vocational education to 12 months is an example of a policy that is penny-wise and pound-foolish. The identified cost does not reflect the whole picture because it does not capture future savings related to people remaining off public assistance.

This would not change the 60-month time limit. It would increase efficiency by making the most out of the state's investments in vocational education. The legislation does one thing: changes 12 months to 24 months, removing a barrier to self-sufficiency for a small set of WorkFirst parents. The TANF budget is a zero sum game, unless the Legislature chooses to provide more funding. The DSHS contracts with partner agencies for the provision of services for WorkFirst recipients. The contracted amounts change from year to year. Changing vocation education from 12 months to 24 months does not mandate an appropriation.

(Opposed) None.

Persons Testifying (Early Learning & Human Services): Representative Walsh, prime sponsor; Alex Hur, Statewide Poverty Action Network; Mat Carlisle, Washington State Board for Community and Technical Colleges; Paul Bell, Office of Student Legislative Affairs at Bellevue College; and Robin Zukoski, Columbia Legal Services.

Persons Testifying (Appropriations): Representative Walsh, prime sponsor; Alex Hur, Statewide Poverty Action Network; and Robin Zukoski, Columbia Legal Services.

Persons Signed In To Testify But Not Testifying (Early Learning & Human Services): None.

Persons Signed In To Testify But Not Testifying (Appropriations): None.