

SENATE BILL REPORT

ESHB 1875

As Reported by Senate Committee On:
Human Services, Mental Health & Housing, February 25, 2016
Ways & Means, February 29, 2016

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: Passed House: 3/04/15, 90-6; 2/10/16, 89-7.

Committee Activity: Human Services, Mental Health & Housing: 3/16/15, 3/30/15 [DPA-WM, w/oRec]; 2/25/16, 2/25/16 [DPA-WM].

Ways & Means: 2/29/16, 2/29/16 [DPA, w/oRec].

SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING

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

Signed by Senators O'Ban, Chair; Miloscia, Vice Chair; Darneille, Ranking Minority Member; Hargrove and Padden.

Staff: Alison Mendiola (786-7444)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Darneille, Hasegawa, Nelson, O'Ban, Parlette, Pedersen, Rolfes, Schoesler and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senators Braun, Vice Chair; Padden.

Staff: Brian Sims (786-7431)

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.

Background: Temporary Assistance for Needy Families (TANF). 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 must 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.

Currently, a WorkFirst participant's vocational education training may not exceed 12 months.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Amendments): Until June 30, 2019, a WorkFirst participant may engage in up to 24 months of vocational training, subject to appropriation. The Joint Legislative Audit and Review Committee shall conduct a sunset review. This Act is repealed in 2020.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Amendments): Two additional requirements must be met in order for 24 month training to be allowed: 1. The participant is making successful progress in the training program; and 2. It is in a Fiscal Year for which DSHS has projected that the state will meet federal TANF participation requirements. The 24 months of training is allowed until June 30, 2019, instead of June 30, 2021.

EFFECT OF CHANGES MADE BY HUMAN SERVICES, MENTAL HEALTH & HOUSING COMMITTEE (Recommended Amendments): Vocational training that exceeds 12 months is limited to vocational training for high-demand/high-wage jobs.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony (Human Services, Mental Health & Housing): Testimony From 2016 Regular Session. PRO: This is very important bill. With an increase in the amount of time a person can focus on vocational training or other training, the State will get more than a return on its investment. We want a positive outcome for the families receiving public assistance and this bill helps families accomplish that. Right now, after twelve months of training, a person has to also work part-time to maintain their benefit eligibility. The amendment that the additional training is limited to high-wage/high-demand jobs is supported. We now know from the Department of Social and Health Services that only about 400 people would be eligible for this training, that's due to ability of the recipients but over time hopefully we can help more people become ready for increased training. This small number means the fiscal note should be much smaller although a fiscal note has not been requested. Having the JLARC study will be helpful to see the outcomes and see if increased training opportunities make a difference.

Testimony From 2015 Regular Session: PRO: Education is necessary to achieve self-sufficiency. Twelve months of vocational training only helps 14 to 16 percent of recipients which is a terrible rate of return. Extending vocational education training to two years gives those a fighting chance for an associate's degree which leads to a family wage job, getting off welfare sooner, and the opportunity to develop marketable skills to stay off welfare permanently. Otherwise, the current training timeframe is penny wise but pound foolish. A recipient works with a caseworker to determine if vocational education is a viable alternative, some have other issues to address like domestic violence or the recipient may be job ready. The fiscal note assumes everyone enrolled now would do 24 months of training but that is not accurate. Community colleges do evaluations of the student and determine what program to enroll them in; you can't do two years on your way to a four-year degree, but for families where a two-year certificate is the goal, this bill makes the difference for life and state law should not be a barrier.

Persons Testifying (Human Services, Mental Health & Housing): Persons Testifying From 2016 Regular Session: PRO: Representative Walsh, Prime Sponsor; Alex Hur, Statewide Poverty Action Network; Nancy Dick, State Board for Community & Technical Colleges/Director of Workforce Education; and Robin Zukoski, Columbia Legal Services.

Persons Testifying From 2015 Regular Session: PRO: Representative Walsh, prime sponsor, Alex Hur, Statewide Poverty Action Network; Robin Zukoski, Columbia Legal Services.

Persons Signed In To Testify But Not Testifying: No one.

Staff Summary of Public Testimony (Ways & Means): PRO: The extension of the time for vocational training will allow more meaningful education so recipients have a better chance move into higher income jobs. The extended training is limited to programs for high-wage/high demand careers.

Persons Testifying (Ways & Means): PRO: Representative Walsh, Prime Sponsor; Alex Hur, Statewide Poverty Action Network.

Persons Signed In To Testify But Not Testifying: No one.