

HOUSE BILL REPORT

HB 2071

As Reported by House Committee On:
Early Learning & Children's Services
Health & Human Services Appropriations

Title: An act relating to increasing the earning potential of parents of needy families.

Brief Description: Concerning education for parents of needy families.

Sponsors: Representatives Green, Kagi, Miloscia, Pettigrew, Nelson, Haler, Priest, Goodman, Conway, Ormsby, Santos and Kenney.

Brief History:

Committee Activity:

Early Learning & Children's Services: 2/19/09, 2/20/09 [DPS];
Health & Human Services Appropriations: 2/25/09 [DPS(ELCS)].

Brief Summary of Substitute Bill

- Revises the elements of the individual responsibility plan developed for WorkFirst recipients to include education, training, and other opportunities available to the recipient to support employment goals and advance in the workplace.
- Places in statute a requirement for a quarterly report currently being provided to the Legislature.

HOUSE COMMITTEE ON EARLY LEARNING & CHILDREN'S SERVICES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Kagi, Chair; Roberts, Vice Chair; Haler, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Angel, Goodman and Seaquist.

Staff: Sydney Forrester (786-7120)

Background:

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.

The Department of Social and Health Services administers the Temporary Assistance for Needy Families (TANF) federal block grant. The use of TANF funds is limited to the following purposes:

1. provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
2. end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. 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
4. encourage the formation and maintenance of two-parent families.

Washington's TANF program is called WorkFirst. Under WorkFirst, recipients receive a comprehensive evaluation prior to referral to job search activities. The evaluation is facilitated by a WorkFirst specialist and covers a broad range of topics. Information obtained through the evaluation process is used to develop an individual responsibility plan (IRP) for the recipient. The IRP includes an employment goal, a plan for obtaining employment as quickly as possible, and a description of services to remove barriers to employment and to enable the recipient to obtain and keep employment.

As a condition of receiving federal funds for the WorkFirst program, states must meet work participation rates for those families receiving the federal funds. Work participation rates are determined by dividing the number of families receiving WorkFirst grants that are engaged in work activities by the total number of families receiving the grants. Unless a good cause exemption applies, recipients of public assistance must be engaged in work or work activities as a condition of continued eligibility.

The federal Deficit Reduction Act of 2005 modified how work participation rates are calculated and the type of activities states may count in determining participation rates. In order to meet federal work participation requirements, WorkFirst parents must participate 30 hours per week in countable activities. The first 20 of these hours must be in a core activity, such as job search, subsidized or unsubsidized employment, or vocational education. Once this 20-hour core activity requirement is met, the remaining 10 hours may be in a core or non-core activity.

WorkFirst training and education programs are available at all 34 state community and technical college campuses as well as through community-based organizations and some private colleges and include the following:

- *Customized Job Skills Training*: short-term (8 - 22 weeks) employer-driven training to quickly develop skills for work.
- *High Wage/High Demand, Integrated Basic Education and Skills Training (I-BEST), and Vocational Education*: one-year certificate and degree programs targeting high-wage jobs in high-demand occupations. WorkFirst tuition assistance is available to help cover tuition, books, and fees.
- *Work-Based Learning*: externships, clinical experiences, co-operative learning, and Work Study opportunities to provide authentic work experiences in conjunction with formal training designed to enhance employability and help parents secure higher wages at job entry.

- Wage Progression: job skills and education to increase skills and earning potential, including part-time vocational education courses.
- Other basic skills and employment-related training programs to address specific training gaps, including limited English and basic skill deficiencies. Training may focus on building job skills through improved English or literacy levels.

WorkFirst Reporting.

The DSHS currently provides, in response to a budget proviso, a quarterly report on selected performance measures of WorkFirst the program. The report includes information about WorkFirst recipients at 12, 24, and 36 months after leaving the program and measures the following:

1. the median percentage increase in earnings and hourly wages;
2. the percentage with earnings above 100 and 200 percent of federal poverty guidelines;
3. a comparison group of similar workers who did not participate in WorkFirst; and
4. the percentage of WorkFirst recipients returning to the program .

Other State Programs Designed to Assist Low-Income Families.

In addition to WorkFirst, there are a number of other state programs designed to support parents who are working to improve the financial well-being of their families, including:

- *Working Connections Child Care*: child care subsidies for households with income up to 200 percent of the federal poverty level (FPL).
- *Basic Food*: monthly food benefits for households with income up to 200 percent FPL.
- *Transitional Medical Assistance*: post-WorkFirst extensions of family medical benefits for up to 12 months for families who meet certain criteria. Children in low-income families also may qualify for coverage under other medical programs.
- *Transitional Food Assistance*: post-WorkFirst food assistance for up to six months.
- *Career Services*: up to \$650 over six months and job retention/wage progression services for parents leaving WorkFirst and low-income parents who are working 30 or more hours a week.

Summary of Substitute Bill:

The WorkFirst IRP requirements are revised and must include:

1. an employment goal and a plan to maximize the recipient's success in meeting the goal;
2. consideration of available WorkFirst education and training programs from which the recipient could benefit;
3. the obligation of the recipient to participate by complying with the plan;
4. a plan for moving the recipient into full-time WorkFirst activities as quickly as possible; and
5. a description of services available to the recipient during and after WorkFirst to enable the recipient to advance in the workplace and increase wage earning potential.

The quarterly WorkFirst report, relating to wage progression, job retention, and returns to the WorkFirst program, is established in statute.

Substitute Bill Compared to Original Bill:

The substitute bill revises the changes made to elements of the WorkFirst IRP to reflect an emphasis on educational and training programs as well as the permissible uses of TANF moneys and the policies for meeting federal participation rates for continued receipt of TANF moneys.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 20, 2009.

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

Staff Summary of Public Testimony:

(In support) In troubled economic times we are going to be spending a lot of time rethinking how we use limited funds. Earnings over one's lifetime are significantly related to educational attainment. There is a tipping point and we should be striving to utilize the TANF moneys to move more recipients toward that tipping point. With at least one year of college, there is a significant difference in lifetime earnings. The screenings and assessments used in the WorkFirst program are helpful to the system, but we should attempt to incorporate use of more longer-term training programs wherever we can. The Welfare to Work strategies are most effective when we can provide a menu of opportunities that includes education and training programs linked to better wage progression and job retention.

(Neutral) The return rates to WorkFirst indicate there may be more we can do to encourage more participation in education and training programs that will increase the number of WorkFirst recipients who can permanently exit the program.

(Opposed) None.

Persons Testifying: (In support) Representative Green, prime sponsor; Jodie DuBois; Jim Crabbe, State Board for Community and Technical Colleges; Monica Peabody, Parents Organizing for Welfare and Economic Rights; Robin Zukoski, Columbia Legal Services; and Tony Lee, Solid Ground.

(Neutral) Karan Gill, BuRSST for Prosperity.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES APPROPRIATIONS

Majority Report: The substitute bill by Committee on Early Learning & Children's Services be substituted therefor and the substitute bill do pass. Signed by 15 members: Representatives Pettigrew, Chair; Seaquist, Vice Chair; Schmick, Ranking Minority Member; Alexander, Assistant Ranking Minority Member; Appleton, Cody, Dickerson, Ericksen, Johnson, Miloscia, Morrell, O'Brien, Roberts, Walsh and Wood.

Staff: Wendy Polzin (786-7137)

Summary of Recommendation of Committee On Health & Human Services Appropriations Compared to Recommendation of Committee On Early Learning & Children's Services:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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

Staff Summary of Public Testimony:

(In support) By including this language in statute, each Invidivudal Responsibility Plan (IRP) will include discussions of educational opportunities. This language will provide Temporary Assistance for Needy Families (TANF) and former TANF recipients with additional options. Many clients of WorkFirst are directed to employment first, instead of educational options. For TANF recipients who want to go to college there are many barriers. This is an investment for the state. The substitute bill includes agreed upon language with the Governor's WorkFirst office. The substitute codifies the evolution of the WorkFirst program which was originally a one size fits all approach. The language is consistent with research in the last 10 years that the most effective Welfare to Work programs are more than one-size-fits-all.

(Opposed) None.

Persons Testifying: Marie Bruin, State Board for Community and Technical Colleges; Robin Zukowski, Columba Legal Services; Monica Peabody, Parents Organizing for Welfare and Economic Rights (POWER); and Tony Lee, Solid Ground.

Persons Signed In To Testify But Not Testifying: None.