

HOUSE BILL ANALYSIS

HB 1079

Title: An act relating to personal responsibility.

Brief Description: Requiring personal responsibility.

Sponsors: Representatives Cooke, Bush, Dunn, McDonald, L. Thomas, Reams, Carrell, Buck, Radcliff, Mulliken, Sump, B. Thomas, Hickel, D. Schmidt, McMorris, Sheahan, Mitchell, Johnson, Lisk, Chandler, Talcott, Thompson, Clements, Backlund, Mastin, Koster, DeBolt, Carlson, D. Sommers, Boldt, Alexander, Schoesler, Sterk, Honeyford, Parlette, Sherstad, Smith, Mielke, Cairnes and Robertson.

HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

Meeting Date: *January 23, 1997.*

Bill Analysis Prepared by: *David Knutson (786-7146). Doug Ruth (786-7134).*

Background: *Washington is required to implement federal welfare reform with the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). This Federal legislation replaces the former welfare program for low-income families known as Aid to Families With Dependent Children (AFDC) with a new program called the Temporary Assistance for Needy Families (TANF) program.*

The new federal welfare reform law fundamentally changes the way low-income families will receive assistance from the federal and state governments. The individual entitlement to assistance is ended and replaced with a maximum five years of assistance in a person's lifetime. A capped federal block grant is provided to the state in lieu of an uncapped federal funding formula based on the welfare caseload. Individuals receiving assistance under the new Temporary Assistance for Needy Families (TANF) Program are required to work. States are required to suspend the drivers' licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support.

Congress stated the following goals for welfare reform as found in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996:

- 1. Provide state's greater flexibility in assisting needy families;*

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 these pregnancies; and*
4. *Encourage the formation and maintenance of two-parent families.*

Washington must submit a plan to the federal government detailing how the state will deliver services to low-income families through the new TANF Program. The State must provide a 45 day comment period on the plan, and the plan must be in place no later than July 1, 1997. Former Governor Lowry submitted his TANF plan to the federal government on November 16, 1996. It went into effect on January 10, 1997. Former Governor Lowry's plan maintains the former welfare system in place prior to passage of federal welfare reform. If the Legislature and Governor Locke do not agree on an alternative to former Governor Lowry's plan, his TANF plan will stay in effect.

The Legislature has the authority to determine which options available under the federal law the State will exercise in developing a Washington TANF Program. They include such issues as eligibility standards, time limits, work participation requirements, sanctions for caretakers who do not comply with program requirements, grant payment amounts, support services such as child care and social services, family caps, requiring school attendance for teenage parents, teen pregnancy reduction programs, and denying assistance to unmarried teen parents.

Summary of Bill: *Recipients of Temporary Assistance for Needy Families may receive a maximum of 60 months of assistance in a person's lifetime. Up to twenty percent of the caseload may be exempted from the time limits based on federal law. The department of social and health services is required to meet federal work participation rates using allowable federal work activities. Adults in families receiving TANF are required to participate in work activities. The entitlement to public assistance is removed. Recipients of Temporary Assistance for Needy Families will be required to sign a contract and comply with its provisions as a condition of eligibility. Recipients of Temporary Assistance for Needy Families may earn and keep the first \$120 and one-third of the remainder without affecting their eligibility for TANF. Recipients may own a vehicle valued at \$5,000 and keep an additional \$3,000 in a savings account. A process for suspending occupational, professional, recreational, and driver's licenses is established for parents who fail to pay child support or violate a residential or visitation order. The department is given the option to suspend or deny issuance of licenses of parents who are six months behind on their child support payments, or who have violated a residential or visitation order twice within three years. Prior to suspension or denial of a license, delinquent parents are given the opportunity to either contest the department's action, enter into a payment schedule with the department, or have their support order modified by a court or the department. The department may not suspend or withhold a license if they are able to collect a reasonable amount of a parent's arrears through another enforcement method. The department of social*

and health services will determine the most appropriate living situation for TANF applicants under age 18, unmarried, and either pregnant or having a dependent child. If the applicant does not live in the appropriate setting and comply with other program requirements they will not receive a cash payment.

Appropriation: *None.*

Fiscal Note: *Requested on January 13, 1997.*

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