

VETO MESSAGE ON HB 2798-S2

April 2, 1994

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 7, 14, 15, 18, and 30, Engrossed Second Substitute House Bill No. 2798 entitled:

"AN ACT Relating to public assistance reform;"

Engrossed Second Substitute House Bill No. 2798 is a comprehensive plan to reform our welfare system. It directs efforts toward education, job readiness, teen pregnancy, and obstacles to achieving economic independence. Welfare recipients and all the residents of our state will benefit from the reforms established in this bill.

This legislation emphasizes the temporary nature of welfare for recipients who are not incapacitated or caring for young children. Sanctions will be gradually implemented for the few adults who are not participating in efforts to become self-sufficient. These changes provide first steps toward future efforts to link the welfare system to the labor market.

Section 7 contains language regarding mandates and target groups for self-sufficiency efforts which already exist in federal law and are being implemented in Washington State. For instance, increasing numbers of young parents under age 24 must be working or searching for work. This section, however, prohibits the granting of public assistance to people pursuing a liberal arts education. This conflicts with the need to encourage self-sufficiency. The mandate to sanction parents when a child becomes age three instead of age six, does not take into consideration the benefits of parenting and the stresses on low-income families. For these reasons, I am vetoing section 7.

Section 14 requires the Department of Social and Health Services to report the amount of a child support obligation to consumer reporting agencies operating in the state of Washington. The effect of this condition is to require the Support Enforcement Division to report all child support obligations, regardless of delinquency, amount, or request. I believe this section is too broad and that it could impair the ability of parents to obtain credit, even when those parents are current in their child support obligations. Currently, Support Enforcement reports, as required by federal law, only debtors who are at least \$1,000 in arrears on their child support obligation. I believe the department's use of the federally mandated credit bureau reporting program meets the intent of this section without adversely affecting complying parents. For these reasons, I am vetoing section 14.

Section 15 requires the Support Enforcement Division to contract with private collection agencies to pursue overdue child support amounts in all cases that might otherwise consume a disproportionate share of the office's collection efforts. Private collection agencies cannot avail themselves of administrative remedies that are available solely to the Support Enforcement Division. Consequently, where the state would be minimizing costs and providing speedy dispute resolution in the administrative

forum, private collectors would force more and more cases into an already overburdened court system with accompanying delays and increased costs to all parties involved. Also, private child support collection will not be provided free of charge. The normal fee for this service is approximately 25 percent of the amount collected. This issue needs more analysis of the fiscal impacts to the state and the effect it would have on our court system. For these reasons, I am vetoing section 15.

Section 18 directs the Support Enforcement Division to obtain restitution from the payer under a child support order when money is either paid by check that is later dishonored for non-sufficient funds, or when there is an IRS tax refund that must later be refunded to a joint filer under federal law. While section 18 directs the department to seek restitution from the payer, it does not provide a mechanism to ensure these monies are recovered. This section, as written, is ambiguous, will be administratively burdensome to the department, and has unclear fiscal implications. I will ask the department to review its process, consult with other interested parties, and introduce legislation next session to address this issue. For these reasons, I am vetoing section 18.

Section 30 requires the Legislative Budget Committee (LBC) to conduct a program performance audit of the Department of Health's Immunization Program and to report its findings to the legislature by no later than October 31, 1994. The Department of Health is directed to allocate \$40,000, or so much is necessary of its general fund-state appropriation, to LBC for this audit. No funding is appropriated for this audit. The Department of Health began internal program and fiscal reviews of their Immunization Program in December, 1993. These reviews will provide consistent and verifiable ways to project and validate inventory needs and costs for current and future biennia. They will also allow us to evaluate and develop programs to increase access for childhood vaccinations. An LBC performance audit would be an unnecessary duplication of these reviews. This section would also set a precedent for funding studies or audits from allocations from one agency to another. For these reasons, I am vetoing section 30.

With the exception of sections 7, 14, 15, 18 and 30, Engrossed Second Substitute House Bill No. 2798 is approved.

Respectfully submitted,
Mike Lowry
Governor