

SENATE BILL REPORT

SB 6062

As Reported By Senate Committee On:
Health & Long-Term Care, March 31, 1995
Ways & Means, April 13, 1995

Title: An act relating to making welfare work.

Brief Description: Making welfare work.

Sponsors: Senators Quigley, Moyer, Fairley, Wood, Wojahn and Winsley.

Brief History:

Committee Activity: Health & Long-Term Care: 3/31/95 [DPS-WM].
Ways & Means: 4/13/95 [DP2S].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 6062 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Quigley, Chair; Wojahn, Vice Chair; Deccio, Fairley, Franklin, Winsley and Wood.

Staff: Joanne Conrad (786-7472)

Background: Lack of focus on the importance of work may be a barrier to exiting public assistance. Some believe that work programs, combined with supportive services such as child care, training, and medical benefits can help those on welfare achieve independence. Teen parents may be in need of additional attention.

Summary of Substitute Bill: The importance of work and accountability are emphasized.

The Department of Social and Health Services (DSHS) assesses applicants for and recipients of public assistance, to determine their educational levels and hours of recent paid work experience. Based upon this information, recipients are placed into target groups.

The Job Ready Target Group is composed of persons over 18 years, with high school diplomas or GEDs and at least 500 hours of paid work experience in the preceding 12 months. This group seeks work, without being subject to additional requirements, for six months, after which they are placed in the Job Preparation Target Group.

The Job Participation Target Group contracts with DSHS to participate in one of the welfare to work programs, as a condition of benefit receipt.

The Teen Parent Target Group requires unmarried recipients under 18 years to progress toward completion of high school or GED, and to live in a specified adult-supervised setting, which can include the home of a parent or guardian or adult relative, or, if such home is

"unsafe," a "supportive living arrangement supervised by an adult," with first preference to an approved group home. The need for a protective payee is presumed.

Persons in the Disabled Parent Target Group are facilitated by DSHS in their application for Supplemental Security Income, and are supported with benefits during the application process. If they do not qualify for SSI, they are placed in the Job Preparation Target Group, or other appropriate job placement.

Welfare-to-work programs are established for participants, who enter into an "employment development contract of mutual responsibility," and are reviewed for progress every six months. Persons who need it are required to obtain alcohol and substance abuse treatment, prior to participation, as a condition of receiving benefits.

Three primary welfare-to-work programs are established:

1. The existing Job Opportunities and Basic Skills program is made mandatory, for statewide access by participants.
2. The Tax Incentive program establishes training plans of up to two years for recipients, subsidized by the state through a graduated system of tax credits, and capped at a total of \$15 million per biennium.
3. The Full Employment Act is a five-year pilot project in four counties, making available job training and development, 50 percent of which is contracted-out by DSHS. Local implementation boards involve businesses and others, and facilitate the pilot. Benefits are channeled to recipients through employers by wage reimbursement.

Another option for recipients is community volunteer work, wherein each recipient locates and reports on volunteer community service, with random compliance checks by DSHS.

Teen parent group homes are created, as a living situation for those under 18 with unsafe home environments. Abusive parents are referred for criminal prosecution. Public benefits are pooled for the benefit of the teens and their children. Teens are given parenting and nutrition classes, tutored, and given money and anger management classes, as well as treatment for alcohol, tobacco and substance abuse. Teen residents may be subject to house rules, including no unsupervised male visits, curfew, and shared child care.

Rights and responsibilities of all public assistance recipients include the requirement that after two years in a program, and up to six months additional job search, benefits are reduced by 20 percent each six months. Requirements of participation are tolled for illness, disability, including disability caused by domestic violence, or lack of child care. Benefits are extended for two years if the recipient participates in a community volunteer experience. Persons are not required to participate in some requirements if they have a child under three, or under other specified conditions. The birth of an additional child while on assistance entitles that child to 50 percent of grant amount. Subsequent additional children are not entitled to a grant increase. Transitional child care and medical benefits are provided.

Child support enforcement is enhanced by revocation of state licensure (driver's and professional licenses) for parents in arrears on ordered support. In cases of nonpayment of

support, obligors either arrange and make payment, perform community service or are subject to criminal penalties, and publication in the newspaper.

To facilitate siting of AFDC-related group homes, cities and counties may not prohibit such homes, but may limit their number.

Extensive studies are required for welfare-to-work programs.

Rent is paid directly to landlords, under certain circumstances.

Substitute Bill Compared to Original Bill: Placement of Job Ready Target Group participants unable to find work directly into community volunteer work is eliminated. Specific details are added regarding "approved local government welfare-to-work programs." Numerous technical, clarifying changes are made.

Appropriation: \$20 million.

Fiscal Note: Requested on March 30, 1995.

Effective Date: Certain sections of the bill contain an emergency clause and take effect on July 1, 1995.

Testimony For: Child care and other supportive services are needed for those seeking to exit welfare. Better child support enforcement would help women with children achieve self-sufficiency.

Testimony Against: Rent vouchers are ineffective and expensive to administer. Community volunteer work is impractical. Time limited welfare does not protect children sufficiently. Children should not be penalized due to their birth order.

Testified: Lonnie Johns-Brown, NASW; Jeanette Nordin; Ann Simons, WA Women United; Jerry Friedman, DSHS; Tony Lee, WA Association of Churches; Ned Dolejsi, WA State Catholic Conference; Denise Read, Evergreen Legal Services.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6062 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Loveland, Vice Chair; Bauer, Drew, Fraser, Gaspard, Hargrove, Hochstatter, McDonald, Moyer, Quigley, Sheldon, Snyder, Spanel, Strannigan, West, Winsley and Wojahn.

Staff: Steve Lerch (786-7474)

Summary of Second Substitute Bill: The importance of work and accountability are emphasized.

The Department of Social and Health Services (DSHS) assesses applicants for and recipients of public assistance, to determine their educational levels and rate of pay for recent work experience. Based upon this information, recipients are placed into target groups.

The Job Ready Target Group is composed of persons over 18 years with recent work experience that paid at least \$6.50 per hour. This group seeks work, without being subject to additional requirements, for six months, after which they are placed in the Job Preparation Target Group if unsuccessful in obtaining employment.

The Job Preparation Target Group is composed of persons over 18 that do not qualify for either the Job Ready or Teen Parent Target Groups. These individuals contract with DSHS to participate in one of the welfare to work programs, as a condition of benefit receipt.

The Teen Parent Target Group requires unmarried recipients under 18 years to progress toward completion of high school or GED, and to live in a specified adult-supervised setting, which can include the home of a parent or guardian or adult relative, or, if such home is "unsafe," a "supportive living arrangement supervised by an adult," with first preference to an approved group home. The need for a protective payee is presumed.

Welfare-to-work programs are established for participants, who enter into an "employment development contract of mutual responsibility," and are reviewed for progress every six months.

Three primary welfare-to-work programs are established:

1. The existing Job Opportunities and Basic Skills program is made mandatory, for statewide access by participants.
2. The Tax Incentive program establishes training plans of up to two years for recipients, subsidized by the state through a graduated system of tax credits, and capped at a total of \$15 million per biennium.
3. The Full Employment Act is a five-year pilot project in four counties, making available job training and development, 50 percent of which is contracted-out by DSHS. Local implementation boards involve businesses and others, and facilitate the pilot. Benefits are channeled to recipients through employers by wage reimbursement.

Another option for recipients is community volunteer work, wherein each recipient locates and reports on volunteer community service, with random compliance checks by DSHS.

Teen parent group homes are created, as a living situation for those under 18 with unsafe home environments. Abusive parents are referred for criminal prosecution. Public benefits are pooled for the benefit of the teens and their children. Teens are given parenting and nutrition classes, tutored, and given money and anger management classes, as well as treatment for alcohol, tobacco and substance abuse. Teen residents may be subject to house rules, including no unsupervised male visits, curfew, and shared child care.

Rights and responsibilities of all public assistance recipients include the requirement that after two years in a program, and up to six months additional job search, benefits are reduced by

20 percent each six months. Requirements of participation are tolled for illness, disability, including disability caused by domestic violence, or lack of child care. Benefits are extended for two years if the recipient participates in a community volunteer experience. Persons are not required to participate in some requirements if they have a child under three, or under other specified conditions. Transitional child care and medical benefits are provided; upon exhaustion of transitional medical benefits, individuals receive coverage under the Basic Health Plan at no cost for an additional year.

Child support enforcement is enhanced by revocation of state licensure (driver's and professional licenses) for parents in arrears on ordered support. In cases of nonpayment of support, obligors either arrange and make payment, perform community service or are subject to criminal penalties, and publication in the newspaper.

To facilitate siting of AFDC-related group homes, cities and counties may not prohibit such homes, but may limit their number.

Extensive studies are required for welfare-to-work programs.

Second Substitute Bill Compared to Substitute Bill: The definition of Job Ready Target Group is changed from persons with high school diplomas or GEDs and at least 500 hours of paid work experience in the preceding 12 months to persons with recent work experience paid at a rate of at least \$6.50 per hour. Transitional employment services for persons in the Job Ready group are eliminated.

The Disabled Parent Target Group is eliminated as a target group.

Wage subsidies paid to employers in the Full Employment Act pilot program are limited to an amount equal to the recipient's cash grant plus the cash value of the recipient's food stamps.

The requirement that AFDC recipients with alcohol and substance abuse problems must enroll in treatment programs is removed.

The reduction of benefits for additional children born ten months or more after AFDC application is eliminated.

Language concerning transitional medical benefits is clarified to state that, upon exhaustion of transitional Medicaid benefits, persons are enrolled in the Basic Health Plan at no cost for 12 months.

A program to deduct rent from AFDC grants and make payment of rent directly to landlords in some circumstances is eliminated.

Appropriation: \$20 million.

Fiscal Note: Available.

Effective Date: Certain sections of the bill contain an emergency clause and take effect on July 1, 1995.

Testimony For: Child care and other supportive services are needed for those seeking to exit welfare. Better child support enforcement would help women with children achieve self-sufficiency. The Tax Incentive Program will provide needed training to AFDC recipients and allow them to stay off the caseload.

Testimony Against: In light of FTE reductions proposed in Senate and House budgets and required changes to the ACES computer system, it may be very difficult for DSHS to implement some of the changes in the bill. The Full Employment Act won't provide useful work experience to AFDC recipients, is too complicated, will primarily benefit employers, and will be expensive. A "family cap" which limits benefit payments for additional children is punitive and will hurt children. License suspension provisions won't really make people pay child support but will impose a burden on persons trying to meet their child support obligations. Time limited welfare does not protect children sufficiently. Children should not be penalized due to their birth order.

Testified: Lonnie Johns-Brown, NASW; Jeanette Nordin; Ann Simons, WA Women United; Jerry Friedman and Wolfgang Opitz, DSHS; Tony Lee, WA Association of Churches; Ned Dolejsi, WA State Catholic Conference.