

HOUSE BILL REPORT

HB 1861

As Reported By House Committee On:

Government Reform & Land Use

Title: An act relating to creating a department for employment services.

Brief Description: Creating a department for employment services.

Sponsors: Representatives Cooke, Boldt, McDonald, Blalock and Pennington.

Brief History:

Committee Activity:

Government Reform & Land Use: 2/26/97 [DP].

HOUSE COMMITTEE ON GOVERNMENT REFORM & LAND USE

Majority Report: Do pass. Signed by 9 members: Representatives Reams, Chairman; Cairnes, Vice Chairman; Sherstad, Vice Chairman; Romero, Ranking Minority Member; Lantz, Assistant Ranking Minority Member; Bush; Mielke; Mulliken and Thompson.

Minority Report: Without recommendation. Signed by 2 members: Representatives Fisher and Gardner.

Staff: Joan Elgee (786-7135).

Background: The Department of Social and Health Services (DSHS) was established in 1970. It was created by merging the former Department of Health, Department of Public Assistance, Department of Institutions, the Veterans' Rehabilitation Council, and the division of Vocational Rehabilitation of the Coordinating Council on Occupational Education. The DSHS was designed to "integrate and coordinate all those activities involving provision of care for individuals who, as a result of their economic, social or health condition, require financial assistance, institutional care, rehabilitation, or other social and health services.—

Since its creation, several functions have been removed from the DSHS. In 1976, the Department of Veterans' Affairs was created. In 1981, the responsibilities of the DSHS for adult correctional programs and institutions were transferred to the newly created Department of Corrections. Juvenile corrections remain within the DSHS. The Department of Services for the Blind was established in 1983, and in 1985, all functions and powers of the State School for the Blind and the State School for the

Deaf were transferred out of the DSHS. In 1989, the Department of Health was established. The responsibilities of the DSHS for programs relating to public health, personal health, environmental health, parent and child health, and other health services were transferred to the Department of Health. Many other proposals have been made to transfer functions or to otherwise reorganize the DSHS.

In the 1995-97 biennium, the DSHS programs accounted for approximately 25.9 percent of the \$17.2 billion state general fund operating budget. The total operating budget of the DSHS in the 1995-97 biennium, including federal and other funds, was \$9.9 billion. The DSHS currently has approximately 16,700 full-time employees.

The executive head of the DSHS is the secretary of Social and Health Services. The secretary is required to appoint a deputy secretary, a department personnel director, and such assistant secretaries as needed, including an assistant secretary for juvenile rehabilitation. The secretary is responsible for dividing the department into divisions, including a division of vocational rehabilitation, that are approved by the Governor.

The Employment Security Department administers programs that provide unemployment insurance, job placement, and employment and training services.

The Department of Labor and Industries manages a diverse set of programs involving employers and employees. The department manages claims and provides services to injured workers. Vocational rehabilitation is one of the services that can be provided to the injured worker.

Washington is required to implement federal welfare reform with the enactment of the Personal Responsibility and Work Opportunities Reconciliation Act of 1996 (Public Law 104-193). The law fundamentally changes the way low-income families will receive assistance from the federal and state governments and places a major emphasis on preparing low-income individuals for work.

Summary of Bill: A new Department of Employment Services is created. The following functions are transferred to the new department:

- All functions of the DSHS relating to economic services and vocational rehabilitation;
- All functions of the Department of Labor and Industries relating to vocational rehabilitation; and
- All functions of the Employment Security Department.

The transfers take effect February 28, 1998.

Appropriation: None.

Fiscal Note: Requested February 28, 1997.

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

Testimony For: Under welfare reform, work is now the emphasis. What kind of image do we present to an individual seeking work? We need to structure the agencies to respond to the ramifications of the new world.

Testimony Against: The DSHS is already working with other agencies to align service delivery while implementing federal employment initiatives. We suggest you examine whether reorganization will improve services, be cost effective, and increase coordination of services, efficiency; and accountability. This could derail Governor Locke's proposal.

Testified: Representative Cooke, prime sponsor (pro); and Lyle Quasim, Secretary, Department of Social and Health Services (concerns).