

SENATE BILL REPORT

SB 5677

As Reported By Senate Committee On:
Health & Long-Term Care, February 14, 1997
Ways & Means, February 20, 1997

Title: An act relating to implementing the federal personal responsibility and work opportunity reconciliation act of 1996.

Brief Description: Implementing the federal personal responsibility and work opportunity reconciliation act of 1996.

Sponsors: Senators Deccio, Wood, Long, Rossi, Zarelli, Sellar, Stevens, Swecker, Anderson, Hale, Oke, Finkbeiner, Benton, Johnson, Winsley, Horn, McCaslin, Newhouse, Strannigan, Morton, Roach, Hochstatter, McDonald, Schow, Prince, West, Wojahn and Haugen.

Brief History:

Committee Activity: Health & Long-Term Care: 2/5/97, 2/6/97, 2/10/97, 2/13/97, 2/14/97 [DPS-WM].

Ways & Means: 2/20/97 [DP2S, DNPS].

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Majority Report: That Substitute Senate Bill No. 5677 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Deccio, Chair; Wood, Vice Chair; Benton and Strannigan.

Staff: Joanne Conrad (786-7472)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5677 be substituted therefor, and the second substitute bill do pass.

Signed by Senators West, Chair; Deccio, Vice Chair; Strannigan, Vice Chair; Hochstatter, Long, McDonald, Roach, Rossi, Schow, Swecker, Winsley and Zarelli.

Minority Report: Do not pass second substitute.

Signed by Senators Fraser, Kohl, Loveland, Sheldon, Snyder, Spanel and Thibaudeau.

Staff: Susan Lucas (786-7715)

Background: The Personal Responsibility and Work Opportunity Act of 1996 (P.L. 104-193, PRWORA-) was enacted on August 22, 1996. The act profoundly changed the provision of public assistance in the United States. It eliminated legal entitlement to assistance, making welfare temporary, and changed the focus from eligibility for benefits to

a requirement to look for work. It also eliminated many types of public assistance for immigrants.

The act gave states flexibility in design and implementation of programs for the poor, through use of block grant funds. While some provisions, such as license suspension for nonpayment of child support, are required by the act, numerous other provisions are optional with the states, allowing each state to redesign welfare.

Summary of Second Substitute Bill: Legal entitlement to public assistance is eliminated, and cash assistance is limited to five years, with some exemptions. The Temporary Assistance for Needy Families (TANF) principles of the federal Welfare Reform Act replace Aid to Families with Dependent Children (AFDC).

Welfare applicants who move to Washington State are limited for one year to the amount of cash assistance they would have received in their prior state of residence.

TANF recipients are generally required to search for work, and to participate in a variety of work activities,– or be sanctioned. Work activities– include: unsubsidized and subsidized employment; on-the-job training; job search; vocational education; linkages with existing workforce and school-based training and employment programs; community work; and the provision of child care for others on assistance. Recipients in subsidized employment cannot displace other employees. Continuous job search is a condition of benefit receipt.

Job services are contracted for, using a voucher system. A variety of contractors, including public agencies, can assist those on TANF in seeking work. Outcome measures and performance standards are used to evaluate contracts and agency performance.

For teen parents on TANF assistance, living in an approved, supervised setting, and continuing high school or GED preparation is a condition of benefit receipt. Grandparents of infants born to unmarried, unemployed teens needing welfare are liable for support of the teen and the infant.

The Department of Social and Health Services (DSHS) seeks federal funding by reducing illegitimacy without increasing abortion, and by applying for federal abstinence program funds.

Children who are subject to loss of Supplemental Security Income (SSI) benefits are assisted with state funds.

Electronic benefit transfer (EBT) is required by 2002.

Immigrants are affected in the following ways: Those on SSI are transferred to the general assistance (GAU) program. Legal immigrants continue eligibility for food stamps and TANF while being facilitated in the naturalization process. Federal sponsor-deeming standards apply to newly-arriving immigrants. Seasonal workers' income is averaged, when determining eligibility for assistance. Undocumented immigrants continue prenatal care coverage.

A diversion program is established, to provide limited emergency assistance in cases where such help may prevent the need for TANF assistance.

An 90 percent state maintenance of effort (funding level) is required. The Department of Social and Health Services is provided with goals, to help those on TANF find employment and leave caseload. If the goals are not met through other methods, DSHS must reduce cash grants.

Low income child care, on a sliding fee scale basis, is provided to those on TANF as well as parents who meet poverty criteria for assistance. Child care is not an entitlement and it must be provided within appropriated funds.

Driver's licenses, business, occupational, professional and recreational licenses are suspended for nonpayment of child support. Paternity establishment is required for children on public assistance. Compliance with PRWORA's technical, data, and reporting requirements for child support enforcement is detailed. The \$50 child support pass-through is eliminated.

The department must work with the tribes in developing the TANF program. Tribes receive an equitable share of state maintenance of effort funds if they elect to operate their own TANF program. Tribes must operate their TANF program on a state fiscal year basis.

Second Substitute Bill Compared to Substitute Bill: The child care program authorized in the bill is not an entitlement and must be operated within funding provided in the biennial appropriations act. The department is directed to work with Indian tribes in developing the TANF program. Tribes that elect to operate their own TANF program will receive an equitable share of state maintenance of effort funds. Tribes must operate their TANF programs on a state fiscal year basis.

Substitute Bill Compared to Original Bill: The substitute bill makes numerous technical corrections to the original bill. It clarifies the job services process; increases state maintenance of effort funding from 80 percent to 90 percent; provides additional flexibility and standards for diversion assistance; protects current employees from displacement by subsidized recipients; and eliminates the \$50 child support pass-through.

Appropriation: None.

Fiscal Note: Requested on February 5, 1997.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Testimony For (Health & Long-Term Care): The bill provides necessary protection for legal immigrants, who should be treated equitably. It recognizes the need to support both welfare recipients and working poor families with subsidized child care, and to divert families from assistance by providing diversion benefits. Opportunities are provided for nonprofit service providers and private employers to become involved in helping those on welfare attain self-sufficiency. Caseload reduction goals are realistic, based upon trends experienced in other states.

Testimony Against (Health & Long-Term Care): The bill jeopardizes families and children, if DSHS is forced to reduce grant levels in order to meet goals. Inequities may be created by differential treatment of newly-arriving legal immigrants and seasonal workers. Programs linked to welfare reform efforts may need additional funding. Caseload reduction goals are unrealistic. The economy cannot create enough jobs to enable the state to meet its work participation rate requirements. The welfare population has multiple barriers to self-sufficiency, such as domestic violence victimization, which will prevent workforce participation.

Testified (Health & Long-Term Care): Ann Daley, OFM; Bob Cooper, Food Lifeline; Karen Porterfield, Salvation Army; Leslie Miller-Erchiech, All Saints Church; Joe Valentine and Kelly Port, Snohomish County Human Svcs; Jeanne Edwards, Human Svcs Roundtable; Pat Drake; Janice Yee; Rosemary Barnhart, STEPS; Randy Parr, WA Fed of St. Employees; Jamaica Filgo, WA Families; Charles Kibble, Perigee; Mark Bennt, Compass Devel. Corp; Steven Bauck, NW Harvest; Deborah Ruggles, WA Coalition of Sex. Assault Prog; Jeff Johnson, AFL-CIO; Auerbach, Bill Turnbull, Yvette Warbonnet, Taleah Longles, Child Care Resources; Majken Ryherd-Keira, Community Action Agencies; Laurie Lippold, Peg Mazen, Children's Home Soc; David Della, Comn on Asian Pacific American Affairs; Pamela Dunn, Fair Budget; Jean Wessman, WA St Assn of Counties; Elaine Phelps, Erin Hyppa, Welfare Rights; Elizabeth Schott, Rebecca Smith, Columbia Legal Svcs; Danielle Welliever, Lutheran Public Policy; Linda Grant, Assn Alcohol & Addictions Prog; Sheryl Stracener, WROC, S. King Co; Wayne Beckwith, Oly-Thurston Chamber of Commerce; Judy Turpin, NW Women's Law Ctr; Sharon Case, Coalition Against Domestic Violence; Barbara Hansen; Kit Hawkins, John Puccinelli, Lane Hoss, Kay Chin, Pat Davis, WA St Restaurant Assn; Barbara English, Tacoma Head Start; Pat Thompson, County & City Employers; Susan Hahn, NFIB; Bill Balsdwin, WA Institute for Policy Studies; Jeff Kemp, WA Family Council; Jerry Friedman, DSHS; Ned Dolejsi, WA St Catholic Conf.; Jerry Reilly, WA Health Care Assn; Ellen O'Brien Saunders, Workforce Training & Ed. Coordinating. Bd; Susan Crowley, City of Seattle; George Le Clair, Children's Alliance; Margo Fleshman, Lynn Roberts, WA Women's Employment & Ed.; Candice O'Neill, O'Neill & Assoc.

Testimony For (Ways & Means): The bill takes advantage of the flexibility provided for in the federal act. The bill provides for legal immigrants currently residing in the country. Displacement provisions are necessary.

Testimony Against (Ways & Means): Sponsor deeming is too broad. Newly arriving legal immigrants are not provided for. Caseload reduction mandate and possible grant reductions harm the poor. Certain recipients should be exempt from participating in work activities. Benefits for drug felons are not addressed.

Testified (Ways & Means): Randy Parr, WA Federation of State Employees; State Bauck, Northwest Harvest; Randi Abrams, Jewish Federation; Bob Cooper, Food Lifeline; Elizabeth Schott, Columbia Legal Services; George LeClair, Children's Alliance; Laurie Lippold, Children's Home Society; Ned Dolejsi, WA State Catholic Conference; Kathleen Russell, WA Association of Churches; Sharon Case, WA State Coalition Against Domestic Violence.