

# SENATE BILL REPORT

## SSB 6305

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As Passed Senate, February 7, 2006

**Title:** An act relating to financial literacy.

**Brief Description:** Including financial literacy in work activity provisions.

**Sponsors:** Senate Committee on Human Services & Corrections (originally sponsored by Senators Keiser, Prentice, Johnson and Kohl-Welles).

**Brief History:**

**Committee Activity:** Human Services & Corrections: 1/17/06, 1/31/06 [DPS, w/oRec]  
Passed Senate: 2/7/06, 47-0.

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### SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

**Majority Report:** That Substitute Senate Bill No. 6305 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hargrove, Chair; Regala, Vice Chair; Stevens, Ranking Minority Member; Carrell, McAuliffe and Thibaudeau.

**Minority Report:** That it be referred without recommendation.  
Signed by Senator Brandland.

**Staff:** Indu Thomas (786-7459)

**Background:** The Temporary Assistance for Needy Families (TANF) Program was created by the Welfare Reform Law of 1996. TANF became effective July 1, 1997, and replaced the Aid to Families with Dependent Children (AFDC) and the Job Opportunities and Basic Skills Training (JOBS) programs. TANF provides assistance and work opportunities to needy families by granting states the federal funds and flexibility to develop and implement their own welfare programs. TANF recipients in Washington participate in the WorkFirst program. Under WorkFirst, cash assistance is limited to a maximum of 60 months in a person's lifetime. During that time, the person must be involved in the WorkFirst program and working or actively looking for a job. Benefits may be extended beyond five years for parents who continue to abide by the rules and seek work.

**Summary of Bill:** The Department of Social and Health Services (DSHS) is required to consider the options for financial literacy activities available in the community, including information and resources available through the financial literacy public-private partnership. DSHS is permitted to authorize up to ten hours of financial literacy activities as a core activity or an optional activity under WorkFirst.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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

**Testimony For:** A public/private task force has put together a curriculum to improve the capacity of students in Washington State to be better consumers. The task force recommends that this financial literacy curriculum also be incorporated into the TANF program. Incorporating ten hours of financial literacy activities into the work activities of the TANF, recipients will assist them to avoid the allure of high interest credit card and payday loans, which have the potential to trap recipients in poverty. The ten hours should be offered as an optional activity as otherwise recipients who are highly skilled in managing their monies would be required to participate.

**Testimony Against:** None.

**Who Testified:** PRO: Senator Keiser, prime sponsor, Monica Peabody, Welfare Rights Organizing Coalition.