

SSB 5921 - S AMD 408

By Senators Regala, Carrell

ADOPTED 04/27/2011

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that stable and
4 sustainable employment is the key goal of the WorkFirst and temporary
5 assistance for needy families programs. Achieving stable and
6 sustainable employment is a developmental process that takes time,
7 effort, and engagement. In times of fiscal challenge, temporary
8 assistance for needy families and WorkFirst resources must be invested
9 in program elements that produce the best results for low-income
10 families and the state of Washington.

11 The legislature further finds that the core tenets that are the
12 foundation of Washington state's WorkFirst program are: (1) Achieving
13 stable and successful employment; (2) recognizing the critical role
14 that participants play in their children's development, healthy growth,
15 and promotion of family stability; (3) developing strategies founded on
16 the principle that WorkFirst is a transitional, not long-term, program
17 to assist families on the pathway to self-sufficiency while holding
18 them accountable; and (4) leveraging resources outside the funding for
19 temporary assistance for needy families is crucial to achieving
20 WorkFirst goals. It is the intent of the legislature, using evidence-
21 based and research-based practices, to develop a road map to self-
22 sufficiency for WorkFirst participants and temporary assistance for
23 needy families recipients.

24 **Sec. 2.** RCW 74.08A.260 and 2009 c 85 s 2 are each amended to read
25 as follows:

26 (1) Each recipient shall be assessed after determination of program
27 eligibility and before referral to job search. Assessments shall be
28 based upon factors that are critical to obtaining employment, including
29 but not limited to education, availability of child care, history of

1 family violence, history of substance abuse, and other factors that
2 affect the ability to obtain employment. Assessments may be performed
3 by the department or by a contracted entity. The assessment shall be
4 based on a uniform, consistent, transferable format that will be
5 accepted by all agencies and organizations serving the recipient.

6 (2) Based on the assessment, an individual responsibility plan
7 shall be prepared that: (a) Sets forth an employment goal and a plan
8 for maximizing the recipient's success at meeting the employment goal;
9 (b) considers WorkFirst educational and training programs from which
10 the recipient could benefit; (c) contains the obligation of the
11 recipient to participate in the program by complying with the plan; (d)
12 moves the recipient into full-time WorkFirst activities as quickly as
13 possible; and (e) describes the services available to the recipient
14 either during or after WorkFirst to enable the recipient to obtain and
15 keep employment and to advance in the workplace and increase the
16 recipient's wage earning potential over time.

17 ~~((+2))~~ (3) Recipients who are not engaged in work and work
18 activities, and do not qualify for a good cause exemption under RCW
19 74.08A.270, shall engage in self-directed service as provided in RCW
20 74.08A.330.

21 ~~((+3))~~ (4) If a recipient refuses to engage in work and work
22 activities required by the department, the family's grant shall be
23 reduced by the recipient's share, and may, if the department determines
24 it appropriate, be terminated.

25 ~~((+4))~~ (5) The department may waive the penalties required under
26 subsection ~~((+3))~~ (4) of this section, subject to a finding that the
27 recipient refused to engage in work for good cause provided in RCW
28 74.08A.270.

29 ~~((+5) In implementing this section, the department shall assign the
30 highest priority to the most employable clients, including adults in
31 two-parent families and parents in single-parent families that include
32 older preschool or school-age children to be engaged in work
33 activities.))~~

34 (6) In consultation with the recipient, the department or
35 contractor shall place the recipient into a work activity that is
36 available in the local area where the recipient resides.

37 (7) Assessments conducted under this section shall include a
38 consideration of the potential benefit to the recipient of engaging in

1 financial literacy activities. The department shall consider the
2 options for financial literacy activities available in the community,
3 including information and resources available through the financial
4 (~~literacy~~) education public-private partnership created under RCW
5 28A.300.450. The department may authorize up to ten hours of financial
6 literacy activities as a core activity or an optional activity under
7 WorkFirst.

8 (8) From July 1, 2011, through June 30, 2012, subsections (2)
9 through (6) of this section are suspended for a recipient who is a
10 parent or other relative personally providing care for a child under
11 the age of six years. This suspension applies to both one and two
12 parent families. Beginning July 1, 2012, the department shall phase in
13 the work activity requirements that were suspended, beginning with
14 those recipients closest to reaching the sixty-month limit of receiving
15 temporary assistance for needy families under RCW 74.08A.010(1). The
16 phase in shall be accomplished so that a fairly equal number of
17 recipients required to participate in work activities are returned to
18 those activities each month until the total number required to
19 participate is participating by June 30, 2013. Nothing in this
20 subsection shall prevent a recipient from participating in the
21 WorkFirst program on a voluntary basis.

22 (9)(a) A legislative task force overseeing the WorkFirst program is
23 established, with members as provided in this subsection.

24 (i) The president of the senate shall appoint one member from each
25 of the two largest caucuses of the senate.

26 (ii) The speaker of the house of representatives shall appoint one
27 member from each of the two largest caucuses of the house of
28 representatives.

29 (iii) The governor shall appoint members representing the
30 department of social and health services, the department of early
31 learning, the department of commerce, the employment security
32 department, the office of financial management, and the state board for
33 community and technical colleges.

34 (iv) The task force shall choose cochairs, one from among the
35 legislative members and one from among the executive branch members.
36 The legislative members shall convene the initial meeting of the task
37 force.

38 (b) The task force shall:

1 (i) Oversee the redesign of the WorkFirst program and the
2 implementation of the statutes and budget provisions controlling the
3 temporary assistance for needy families program;

4 (ii) Determine evidence-based outcome measures for the WorkFirst
5 program;

6 (iii) Establish strategies most likely to result in the achievement
7 of the outcome measures and the recipient's progress towards
8 self-sufficiency;

9 (iv) Develop accountability measures for the WorkFirst recipients
10 and the state agencies responsible for their progress toward self-
11 sufficiency;

12 (v) Develop and oversee, as part of the WorkFirst redesign, the
13 implementation of a comprehensive family assessment to be used at
14 program entry; the use of an evaluation after completion of the family
15 assessment which is designed to identify the appropriate work
16 preparation activities and service levels for the recipient; and the
17 use of a predictive modeling tool to be used to identify risk factors
18 relating to a recipient's participation in the temporary assistance for
19 needy families program and his or her employability, and especially
20 identifying those recipients most likely to experience long stays on
21 the program as well as those recipients likely to experience short
22 stays on the program;

23 (vi) Improve the responsiveness of the WorkFirst program in meeting
24 the employment needs of Washington businesses;

25 (vii) Improve individual level outcomes; and

26 (viii) Support families in developing skills that lead to a stable
27 family environment and reduce intergenerational poverty.

28 (c) Staff support for the task force must be provided by senate
29 committee services and the house of representatives office of program
30 research.

31 (d) Between July 1, 2011, and June 30, 2012, the task force shall
32 meet monthly to focus on the redesign of the WorkFirst program. The
33 task force shall report its initial findings and recommendations to the
34 governor and the legislature no later than July 30, 2012.

35 (e) From July 1, 2012, to June 30, 2014, the task force will meet
36 quarterly. During this time period the responsibilities of the task
37 force shall be to:

1 (i) Provide ongoing review of the implementation of the WorkFirst
2 redesign process and modify the program to ensure that it is achieving
3 results for its clients;

4 (ii) Jointly decide how the temporary assistance for needy families
5 state and federal dollars will be spent;

6 (iii) Make recommendations to the governor and the legislature
7 regarding necessary changes to the program;

8 (iv) Receive regular reports from the partner agencies on the
9 impact of program reductions;

10 (v) Receive regular reports on the characteristics of the families
11 who have been unsuccessful on the program and have lost their benefits
12 either through sanction or the sixty-month time limit;

13 (vi) Review and make recommendations on the implementation of
14 federal changes to the temporary assistance for needy families program;
15 and

16 (vii) Issue annual reports regarding its work.

17 (f) During its tenure, the task force will receive regular reports
18 on the partner agencies' progress toward the outcome goals and it will
19 advise the governor and the legislature on child care and temporary
20 assistance for needy families policies to improve the effectiveness of
21 the WorkFirst program over time.

22 (g) This subsection (9) expires June 30, 2014.

23 **Sec. 3.** RCW 74.08A.290 and 1997 c 58 s 316 are each amended to
24 read as follows:

25 (1) ~~((It is the intent of the legislature that))~~ On or before July
26 1, 2012, the department ~~((is authorized to))~~ shall engage in
27 competitive contracting using performance-based contracts to provide
28 all WorkFirst work activities ~~((authorized in chapter 58, Laws of 1997,~~
29 ~~including the job search component authorized in section 312 of this~~
30 ~~act)).~~ All contracted services procured pursuant to this chapter are
31 expressly mandated in accordance with RCW 41.06.142(3) and shall not be
32 subject to the processes set forth in RCW 41.06.142 (1), (4), and (5).

33 (2) The department ~~((may))~~ shall use competitive performance-based
34 contracting to select ~~((which vendors will participate))~~ the public or
35 private vendors to provide services in the WorkFirst program.
36 WorkFirst services provided by partner agencies shall also be pursuant
37 to performance-based contracts. Performance-based contracts shall be

1 awarded based on factors that include but are not limited to the
2 criteria listed in RCW 74.08A.410, past performance of the contractor,
3 demonstrated ability to perform the contract effectively, financial
4 strength of the contractor, and merits of the proposal for services
5 submitted by the contractor. Contracts shall be made without regard to
6 whether the contractor is a public or private entity.

7 (3) The department (~~may~~) shall contract for an evaluation of the
8 competitive contracting practices and outcomes to be performed by (~~an~~
9 ~~independent entity with expertise in government privatization and~~
10 ~~competitive strategies~~) the Washington state institute for public
11 policy. The evaluation shall include (~~quarterly~~) annual progress
12 reports to the appropriate policy and fiscal committees of the
13 legislature and to the governor, starting (~~at the first quarter after~~
14 ~~the effective date of the first competitive contract and ending two~~
15 ~~years after the effective date of the first competitive contract~~) June
16 30, 2012.

17 (4) The department shall work with the WorkFirst task force to
18 develop appropriate outcomes by which the contractors performance will
19 be measured. The outcomes shall be developed no later than November
20 30, 2011.

21 (5) The department shall seek independent assistance in developing
22 contracting strategies to implement this section. Assistance may
23 include but is not limited to development of contract language, design
24 of requests for proposal, developing full cost information on
25 government services, evaluation of bids, and providing for equal
26 competition between private and public entities.

27 NEW SECTION. Sec. 4. A new section is added to chapter 74.12 RCW
28 to read as follows:

29 The department may adopt rules establishing income eligibility for
30 temporary assistance for needy families benefits for a child, other
31 than a foster child, who lives with a caregiver other than his or her
32 parents. The department shall establish a sliding scale benefit
33 standard for a child when the income of the child's caregiver is above
34 two hundred percent but below three hundred percent of the federal
35 poverty level based on family size. A caregiver with an income above
36 three hundred percent of the federal poverty level shall not be

1 eligible for temporary assistance for needy families benefits for a
2 child, not a foster child, who is residing with that caregiver.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 74.08A RCW
4 to read as follows:

5 In determining the income eligibility of an applicant or recipient
6 for temporary assistance for needy families or WorkFirst, the
7 department shall not count the federal supplemental security income
8 received by a household member.

9 **Sec. 6.** RCW 74.08A.010 and 2004 c 54 s 4 are each amended to read
10 as follows:

11 (1) A family that includes an adult who has received temporary
12 assistance for needy families for sixty months after July 27, 1997,
13 shall be ineligible for further temporary assistance for needy families
14 assistance. For purposes of this section, "adult" includes
15 undocumented parents receiving temporary assistance for needy families
16 on behalf of their biological children who are United States citizens.

17 (2) For the purposes of applying the rules of this section, the
18 department shall count any month in which an adult family member
19 received a temporary assistance for needy families cash assistance
20 grant unless the assistance was provided when the family member was a
21 minor child and not the head of the household or married to the head of
22 the household.

23 (3) The department shall refer recipients who require specialized
24 assistance to appropriate department programs, crime victims' programs
25 through the department of ~~((community, trade, and economic~~
26 ~~development))~~ commerce, or the crime victims' compensation program of
27 the department of labor and industries.

28 (4) The department may exempt a recipient and the recipient's
29 family from the application of subsection (1) of this section by reason
30 of hardship or if the recipient meets the family violence options of
31 section 402(A)(7) of Title IVA of the federal social security act as
32 amended by P.L. 104-193. ~~((The number of recipients and their families~~
33 ~~exempted from subsection (1) of this section for a fiscal year shall~~
34 ~~not exceed twenty percent of the average monthly number of recipients~~
35 ~~and their families to which assistance is provided under the temporary~~
36 ~~assistance for needy families program.))~~

1 (5) The department shall not exempt a recipient and his or her
2 family from the application of subsection (1) of this section until
3 after the recipient has received fifty-two months of assistance under
4 this chapter.

5 (6) Beginning on October 31, 2005, the department shall provide
6 transitional food stamp assistance for a period of five months to a
7 household that ceases to receive temporary assistance for needy
8 families assistance and is not in sanction status. If necessary, the
9 department shall extend the household's food stamp certification until
10 the end of the transition period.

11 **Sec. 7.** RCW 74.20.040 and 2007 c 143 s 5 are each amended to read
12 as follows:

13 (1) Whenever the department receives an application for public
14 assistance on behalf of a child, or the department receives an
15 application for subsidized child care services or working connections
16 child care services, the department or the department of early learning
17 shall take appropriate action under the provisions of this chapter,
18 chapter 74.20A RCW, or other appropriate statutes of this state to
19 establish or enforce support obligations against the parent or other
20 persons owing a duty to pay support moneys.

21 (2) The secretary may accept a request for support enforcement
22 services on behalf of persons who are not recipients of public
23 assistance and may take appropriate action to establish or enforce
24 support obligations against the parent or other persons owing a duty to
25 pay moneys. Requests accepted under this subsection may be conditioned
26 upon the payment of a fee as required by subsection (6) of this section
27 or through regulation issued by the secretary. The secretary may
28 establish by regulation, reasonable standards and qualifications for
29 support enforcement services under this subsection.

30 (3) The secretary may accept requests for support enforcement
31 services from child support enforcement agencies in other states
32 operating child support programs under Title IV-D of the social
33 security act or from foreign countries, and may take appropriate action
34 to establish and enforce support obligations, or to enforce subpoenas,
35 information requests, orders for genetic testing, and collection
36 actions issued by the other agency against the parent or other person
37 owing a duty to pay support moneys, the parent or other person's

1 employer, or any other person or entity properly subject to child
2 support collection or information-gathering processes. The request
3 shall contain and be accompanied by such information and documentation
4 as the secretary may by rule require, and be signed by an authorized
5 representative of the agency. The secretary may adopt rules setting
6 forth the duration and nature of services provided under this
7 subsection.

8 (4) The department may take action to establish, enforce, and
9 collect a support obligation, including performing related services,
10 under this chapter and chapter 74.20A RCW, or through the attorney
11 general or prosecuting attorney for action under chapter 26.09, 26.18,
12 26.20, 26.21A, or 26.26 RCW or other appropriate statutes or the common
13 law of this state.

14 (5) Whenever a support order is filed with the Washington state
15 support registry under chapter 26.23 RCW, the department may take
16 appropriate action under the provisions of this chapter, chapter 26.23
17 or 74.20A RCW, or other appropriate law of this state to establish or
18 enforce the support obligations contained in that order against the
19 responsible parent or other persons owing a duty to pay support moneys.

20 (6) The secretary, in the case of an individual who has never
21 received assistance under a state program funded under part A and for
22 whom the state has collected at least five hundred dollars of support,
23 shall impose an annual fee of twenty-five dollars for each case in
24 which services are furnished, which shall be retained by the state from
25 support collected on behalf of the individual, but not from the first
26 five hundred dollars of support. The secretary may, on showing of
27 necessity, waive or defer any such fee or cost.

28 (7) Fees, due and owing, may be retained from support payments
29 directly or collected as delinquent support moneys utilizing any of the
30 remedies in chapter 74.20 RCW, chapter 74.20A RCW, chapter 26.21A RCW,
31 or any other remedy at law or equity available to the department or any
32 agencies with whom it has a cooperative or contractual arrangement to
33 establish, enforce, or collect support moneys or support obligations.

34 (8) The secretary may waive the fee, or any portion thereof, as a
35 part of a compromise of disputed claims or may grant partial or total
36 charge off of said fee if the secretary finds there are no available,
37 practical, or lawful means by which said fee may be collected or to

1 facilitate payment of the amount of delinquent support moneys or fees
2 owed.

3 (9) The secretary shall adopt rules conforming to federal laws,
4 including but not limited to complying with section 7310 of the federal
5 deficit reduction act of 2005, 42 U.S.C. Sec. 654, and rules and
6 regulations required to be observed in maintaining the state child
7 support enforcement program required under Title IV-D of the federal
8 social security act. The adoption of these rules shall be calculated
9 to promote the cost-effective use of the agency's resources and not
10 otherwise cause the agency to divert its resources from its essential
11 functions.

12 **Sec. 8.** RCW 74.20.330 and 2007 c 143 s 6 are each amended to read
13 as follows:

14 (1) Whenever public assistance is paid under a state program funded
15 under Title IV-A of the federal social security act as amended by the
16 personal responsibility and work opportunity reconciliation act of
17 1996, and the federal deficit reduction act of 2005, each applicant or
18 recipient is deemed to have made assignment to the department of any
19 rights to a support obligation from any other person the applicant or
20 recipient may have in his or her own behalf or in behalf of any other
21 family member for whom the applicant or recipient is applying for or
22 receiving public assistance, including any unpaid support obligation or
23 support debt which has accrued at the time the assignment is made.

24 (2) Payment of public assistance under a state-funded program, or
25 a program funded under Title IV-A, IV-E, or XIX of the federal social
26 security act as amended by the personal responsibility and work
27 opportunity reconciliation act of 1996 shall:

28 (a) Operate as an assignment by operation of law; and

29 (b) Constitute an authorization to the department to provide the
30 assistance recipient with support enforcement services.

31 (3) Payment for subsidized child care services or working
32 connections child care services shall constitute an authorization to
33 the department to provide the recipient of the subsidy with support
34 enforcement services. The department is authorized to collect, but not
35 retain, child support payments under this subsection.

36 (4) Effective October 1, 2008, whenever public assistance is paid
37 under a state program funded under Title IV-A of the federal social

1 security act as amended by the personal responsibility and work
2 opportunity reconciliation act of 1996, and the federal deficit
3 reduction act of 2005, a member of the family is deemed to have made an
4 assignment to the state any right the family member may have, or on
5 behalf of the family member receiving such assistance, to support from
6 any other person, not exceeding the total amount of assistance paid to
7 the family, which accrues during the period that the family receives
8 assistance under the program.

9 **Sec. 9.** RCW 43.215.135 and 2010 c 273 s 2 are each amended to read
10 as follows:

11 (1) The department shall establish and implement policies in the
12 working connections child care program to promote stability and quality
13 of care for children from low-income households. Policies for the
14 expenditure of funds constituting the working connections child care
15 program must be consistent with the outcome measures defined in RCW
16 74.08A.410 and the standards established in this section intended to
17 promote continuity of care for children.

18 (2) As a condition of receiving a child care subsidy or a working
19 connections child care subsidy, the applicant or recipient must seek
20 child support enforcement services from the department of social and
21 health services, division of child support, unless the department finds
22 that the applicant or recipient has good cause not to cooperate.

23 (3) Except as provided in subsection (4) of this section, an
24 applicant or recipient of a child care subsidy or a working connections
25 child care subsidy is eligible to receive that subsidy for six months
26 before having to recertify his or her income eligibility. The six-
27 month certification provision applies only if enrollments in the child
28 care subsidy or working connections child care program are capped.

29 (4) Beginning in fiscal year 2011, for families with children
30 enrolled in an early childhood education and assistance program, a head
31 start program, or an early head start program, authorizations for the
32 working connections child care subsidy shall be effective for twelve
33 months unless a change in circumstances necessitates reauthorization
34 sooner than twelve months.

35 ((+3)) (5) The department, in consultation with the department of
36 social and health services, shall report to the legislature by
37 September 1, 2011, with:

1 (a) An analysis of the impact of the twelve-month authorization
2 period on the stability of child care, program costs, and
3 administrative savings; and

4 (b) Recommendations for expanding the application of the twelve-
5 month authorization period to additional populations of children in
6 care.

7 NEW SECTION. **Sec. 10.** A new section is added to chapter 43.215
8 RCW to read as follows:

9 The department and the department of social and health services
10 shall jointly explore different options to track subsidized child care
11 attendance, including methods using a land line or cellular telephone,
12 a computer, a point of sale system, or some combination of these
13 methods and report their recommended method to the legislature no later
14 than December 31, 2011. Each department's recommendations must include
15 addressing any implementation issues and timelines. The legislature
16 shall review the recommendations and authorize implementation. The
17 method that is chosen must interface smoothly with the current and
18 future payment systems for subsidized child care payments.

19 **Sec. 11.** RCW 74.08.580 and 2002 c 252 s 1 are each amended to read
20 as follows:

21 (1) Any person receiving public assistance is prohibited from using
22 electronic benefit cards or cash obtained with electronic benefit
23 cards:

24 (a) For the purpose of participating in any of the activities
25 authorized under chapter 9.46 RCW;

26 (b) For the purpose of parimutuel wagering authorized under chapter
27 67.16 RCW; (~~or~~)

28 (c) To purchase lottery tickets or shares authorized under chapter
29 67.70 RCW;

30 (d) For the purpose of participating in or purchasing any
31 activities located in a tattoo, body piercing, or body art shop
32 licensed under chapter 18.300 RCW;

33 (e) To purchase cigarettes as defined in RCW 82.24.010 or tobacco
34 products as defined in RCW 82.26.010;

35 (f) To purchase any items regulated under Title 66 RCW; or

1 (g) For the purpose of purchasing or participating in any
2 activities in any location listed in subsection (2) of this section.

3 (2) On or before January 1, 2012, the businesses listed in this
4 subsection must disable the ability of ATM and point-of-sale machines
5 located on their business premises to accept the electronic benefit
6 card. The following businesses are required to comply with this
7 mandate:

8 (a) Taverns licensed under RCW 66.24.330;

9 (b) Beer/wine specialty stores licensed under RCW 66.24.371;

10 (c) Nightclubs licensed under RCW 66.24.600;

11 (d) Contract liquor stores defined under RCW 66.04.010;

12 (e) Bail bond agencies regulated under chapter 18.185 RCW;

13 (f) Gambling establishments licensed under chapter 9.46 RCW;

14 (g) Tattoo, body piercing, or body art shops regulated under
15 chapter 18.300 RCW;

16 (h) Adult entertainment venues with performances that contain
17 erotic material where minors under the age of eighteen are prohibited
18 under RCW 9.68A.150; and

19 (i) Any establishments where persons under the age of eighteen are
20 not permitted.

21 (3) The department must notify the licensing authority of any
22 business listed in subsection (2) of this section that such business
23 has continued to allow the use of the electronic benefit card in
24 violation of subsection (2) of this section.

25 (4) Only the recipient, an eligible member of the household, or the
26 recipient's authorized representative may use an electronic benefit
27 card or the benefit and such use shall only be for the respective
28 benefit program purposes. The recipient shall not sell, or attempt to
29 sell, exchange, or donate an electronic benefit card or any benefits to
30 any other person or entity.

31 (5) Violation of subsection (1) or (4) of this section constitutes
32 a gross misdemeanor.

33 (a) The department shall notify, in writing, all recipients of
34 electronic benefit cards that any violation of subsection (1) or (4) of
35 this section could result in civil or criminal legal proceedings and,
36 for recipients, the forfeiture of all cash public assistance.

37 (b) Whenever the department receives notice that a person has
38 violated subsection (1) or (4) of this section, the department shall

1 notify the person in writing that the violation could result in civil
2 or criminal legal proceedings and, for recipients, the forfeiture of
3 all cash public assistance.

4 (c) The department shall assign a protective payee to the person
5 receiving public assistance who violates subsection (1) or (4) of this
6 section.

7 NEW SECTION. **Sec. 12.** A new section is added to chapter 66.24 RCW
8 to read as follows:

9 The board shall immediately suspend the license of a business that
10 has been issued a license under RCW 66.24.330, 66.24.371, or 66.24.600
11 if the board receives information that the business has not complied
12 with RCW 74.08.580(2). If the licensee has remained otherwise eligible
13 to be licensed, the board may reinstate the suspended license when the
14 business has complied with RCW 74.08.580(2).

15 **Sec. 13.** RCW 66.16.041 and 2005 c 151 s 6 are each amended to read
16 as follows:

17 (1) The state liquor control board shall accept bank credit card
18 and debit cards for purchases in state liquor stores, under such rules
19 as the board may adopt. The board shall authorize contract liquor
20 stores appointed under RCW 66.08.050 to accept bank credit cards and
21 debit cards for liquor purchases under this title, under such rules as
22 the board may adopt.

23 (2) If a contract liquor store chooses to use credit or debit cards
24 for liquor purchases, the board shall provide equipment and
25 installation and maintenance of the equipment necessary to implement
26 the use of credit and debit cards. Any equipment provided by the board
27 to a contract liquor store for this purpose may be used only for the
28 purchase of liquor.

29 (3) It is the board's responsibility to ensure that the equipment
30 used by the contract liquor stores to accept debit or credit cards for
31 liquor purchases complies with the requirements of RCW 74.08.580(2)
32 with regard to point-of-sale machines.

33 (4) It is the contract liquor store's responsibility to comply with
34 the requirements of RCW 74.08.580(2) pertaining to the use of
35 electronic benefit transfer cards in ATM machines located on the
36 contract liquor store premises. The board shall immediately suspend

1 the contract it has with the contract liquor store if it receives
2 information that the store has not complied with RCW 74.08.580(2). The
3 board may reinstate the suspended contract when the contract liquor
4 store has complied with RCW 74.08.580(2).

5 NEW SECTION. **Sec. 14.** A new section is added to chapter 18.300
6 RCW to read as follows:

7 The department of licensing shall immediately suspend any license
8 under this chapter if the department receives information that the
9 license holder has not complied with RCW 74.08.580(2). If the license
10 holder has remained otherwise eligible to be licensed, the department
11 may reinstate the suspended license when the holder has complied with
12 RCW 74.08.580(2).

13 NEW SECTION. **Sec. 15.** A new section is added to chapter 18.185
14 RCW to read as follows:

15 The director shall immediately suspend any license issued under
16 this chapter if the director receives information that the license
17 holder has not complied with RCW 74.08.580(2). If the license holder
18 has otherwise remained eligible to be licensed, the director may
19 reinstate the suspended license when the holder has complied with RCW
20 74.08.580(2).

21 **Sec. 16.** RCW 9.46.410 and 2002 c 252 s 2 are each amended to read
22 as follows:

23 (1) Any licensee authorized under this chapter is prohibited from
24 allowing the use of public assistance electronic benefit cards for the
25 purpose of participating in any of the activities authorized under this
26 chapter.

27 (2) Any licensee authorized under this chapter shall report to the
28 department of social and health services any known violations of RCW
29 74.08.580.

30 (3) Any licensee authorized under this chapter is required to
31 comply with RCW 74.08.580(2). If the licensee fails to comply with RCW
32 74.08.580(2), its license shall be immediately suspended until it
33 complies with RCW 74.08.580(2). If the licensee remains otherwise
34 eligible to be licensed, the commission may reinstate the license once
35 the licensee has complied with RCW 74.08.580(2).

1 NEW SECTION. **Sec. 17.** The legislature finds that eliminating
2 waste, fraud, and abuse of public assistance benefits should be a top
3 priority of the department of social and health services, and this can
4 best be reflected in a newly organized, accountable, and proactive
5 fraud unit directly under the secretary's authority with the resources
6 necessary to combat fraud and to ensure the confidence of the public in
7 the critical social safety net programs it funds.

8 NEW SECTION. **Sec. 18.** A new section is added to chapter 74.04 RCW
9 to read as follows:

10 The definitions in this section apply throughout this chapter
11 unless the context clearly requires otherwise.

12 (1) "Abuse" means any use of public assistance resources that is
13 contrary to purposes specified in statute whether or not it is defined
14 as a criminal act.

15 (2) "Disclosable information" means public information that (a) is
16 not exempt from disclosure under chapter 42.56 RCW; and (b) does not
17 pertain to an ongoing investigation.

18 (3) "Fraud" means an intentional deception or misrepresentation
19 made by a person with the knowledge that the deception could result in
20 some unauthorized benefit to himself or herself or some other person.

21 (4) "Office" means the office of fraud and accountability.

22 (5) "Public assistance" or "public assistance programs" means
23 public aid to persons in need including assistance grants, food
24 assistance, work relief, disability lifeline benefits, temporary
25 assistance for needy families, and, for purposes of this section,
26 working connections child care subsidies. This definition excludes
27 medicaid and other medical programs as defined in chapter 74.09 RCW,
28 and fraud and abuse committed by medical providers and recipients of
29 medicaid and other medical program services.

30 **Sec. 19.** RCW 74.04.012 and 2008 c 74 s 3 are each amended to read
31 as follows:

32 (1) There is established (~~(a unit)~~) an office of fraud and
33 accountability within the department for the purpose of detection,
34 investigation, and prosecution of any act prohibited or declared to be
35 unlawful in the public assistance programs administered by the

1 department. The secretary will employ qualified supervisory, legal,
2 and investigative personnel for the program. Program staff must be
3 qualified by training and experience.

4 (2) The director of the office of fraud and accountability is the
5 head of the office and is selected by the secretary and must
6 demonstrate suitable capacity and experience in law enforcement
7 management, public administration, and criminal investigations. The
8 director of the office of fraud and accountability shall:

9 (a) Report directly to the secretary; and

10 (b) Ensure that each citizen complaint, employee complaint, law
11 enforcement complaint, and agency referral is assessed and, when risk
12 of fraud or abuse is present, is fully investigated, and is referred
13 for prosecution or recovery when there is substantial evidence of
14 wrongdoing.

15 (3) The office shall:

16 (a) Conduct independent and objective investigations into
17 allegations of fraud and abuse, make appropriate referral to law
18 enforcement when there is substantial evidence of criminal activity,
19 and recover overpayment whenever possible and to the greatest possible
20 degree;

21 (b) Recommend policies, procedures, and best practices designed to
22 detect and prevent fraud and abuse, and to mitigate the risk for fraud
23 and abuse and assure that public assistance benefits are being used for
24 their statutorily stated goals;

25 (c) Analyze cost-effective, best practice alternatives to the
26 current cash benefit delivery system consistent with federal law to
27 ensure that benefits are being used for their intended purposes; and

28 (d) Use best practices to determine appropriate utilization and
29 deployment of investigative resources, ensure that resources are
30 deployed in a balanced and effective manner, and use all available
31 methods to gather evidence necessary for proper investigation and
32 successful prosecution.

33 (4) By December 31, 2011, the office shall report to the
34 legislature on the development of the office, identification of any
35 barriers to meeting the stated goals of the office, and recommendations
36 for improvements to the system and laws related to the prevention,
37 detection, and prosecution of fraud and abuse in public assistance
38 programs.

1 **Sec. 20.** RCW 43.20A.605 and 2009 c 549 s 5078 are each amended to
2 read as follows:

3 (1) The secretary or a designee shall have full authority to
4 administer oaths and take testimony thereunder, to issue subpoenas
5 requiring the attendance of witnesses before him or her together with
6 all books, memoranda, papers, and other documents, articles or
7 instruments, and to compel the disclosure by such witnesses of all
8 facts known to them relative to the matters under investigation.

9 (2) Subpoenas issued in adjudicative proceedings are governed by
10 RCW 34.05.588(1).

11 (3) Subpoenas issued in the conduct of investigations required or
12 authorized by other statutory provisions or necessary in the
13 enforcement of other statutory provisions shall be governed by RCW
14 34.05.588(2).

15 (4) When a judicially approved subpoena is required by law, the
16 secretary or designee may apply for and obtain a superior court order
17 approving and authorizing a subpoena in advance of its issuance. The
18 application may be made in the county where the subpoenaed person
19 resides or is found, or in the county where the subpoenaed documents,
20 records, or evidence are located, or in Thurston county. The
21 application must:

22 (a) State that an order is sought under this section;

23 (b) Adequately specify the documents, records, evidence, or
24 testimony; and

25 (c) Include a declaration made under oath that an investigation is
26 being conducted for a lawfully authorized purpose related to an
27 investigation within the department's authority and that the subpoenaed
28 documents, records, evidence, or testimony are reasonably related to an
29 investigation within the department's authority.

30 (5) When an application under subsection (4) of this section is
31 made to the satisfaction of the court, the court must issue an order
32 approving the subpoena. When a judicially approved subpoena is
33 required by law, an order under this subsection constitutes authority
34 of law for the agency to subpoena the documents, records, evidence, or
35 testimony.

36 (6) The secretary or designee may seek approval and a court may
37 issue an order under this section without prior notice to any person,
38 including the person to whom the subpoena is directed and the person

1 who is the subject of an investigation. An application for court
2 approval is subject to the fee and process set forth in RCW
3 36.18.012(3).

4 NEW SECTION. **Sec. 21.** A new section is added to chapter 74.04 RCW
5 to read as follows:

6 (1) In carrying out the provisions of this chapter, the office of
7 fraud and accountability shall have prompt access to all individuals,
8 records, electronic data, reports, audits, reviews, documents, and
9 other materials available to the department of revenue, department of
10 labor and industries, department of early learning, employment security
11 department, department of licensing, and any other government entity
12 that can be used to help facilitate investigations of fraud or abuse as
13 determined necessary by the director of the office of fraud and
14 accountability.

15 (2) Information gathered by the department, the office or the fraud
16 ombudsman shall remain confidential as required by state or federal
17 law. Whenever information or assistance requested under subsection (1)
18 of this section is, in the judgment of the director, unreasonably
19 refused or not provided, the director of the office of fraud and
20 accountability must report the circumstances to the secretary
21 immediately.

22 **Sec. 22.** RCW 49.60.210 and 1992 c 118 s 4 are each amended to read
23 as follows:

24 (1) It is an unfair practice for any employer, employment agency,
25 labor union, or other person to discharge, expel, or otherwise
26 discriminate against any person because he or she has opposed any
27 practices forbidden by this chapter, or because he or she has filed a
28 charge, testified, or assisted in any proceeding under this chapter.

29 (2) It is an unfair practice for a government agency or government
30 manager or supervisor to retaliate against a whistleblower as defined
31 in chapter 42.40 RCW.

32 (3) It is an unfair practice for any employer, employment agency,
33 labor union, government agency, government manager, or government
34 supervisor to discharge, expel, discriminate, or otherwise retaliate
35 against an individual assisting with an office of fraud and

1 accountability investigation under RCW 74.04.012, unless the individual
2 has willfully disregarded the truth in providing information to the
3 office.

4 NEW SECTION. **Sec. 23.** A new section is added to chapter 43.09 RCW
5 to read as follows:

6 (1) The auditor shall appoint a fraud ombudsman to audit the work
7 of the office of fraud and accountability within the department of
8 social and health services. The ombudsman shall review the fraud
9 investigative work done by the office including cases filed with local
10 prosecuting authorities. The ombudsman shall also have authority to
11 investigate citizen complaints made to the auditor's office related to
12 fraud or abuse in any public assistance program. The department of
13 social and health services shall provide the ombudsman with access to
14 any relevant records it has in its possession related to a fraud or
15 abuse investigation as determined by the fraud ombudsman, including
16 access to electronic benefit transfer card transaction data.

17 (2) The fraud ombudsman shall have access to persons within the
18 office of fraud and accountability for purposes of interviews and
19 evaluation.

20 (3) The fraud ombudsman must submit a report summarizing its
21 auditing activities of the office of fraud and accountability to the
22 appropriate committees of the legislature by November 30, 2012, and
23 biennially thereafter. The office of fraud and accountability shall
24 assist the ombudsman to the fullest extent practicable in producing
25 this report. The report shall contain only information consistent with
26 the requirements of chapter 42.56 RCW and any other applicable state or
27 federal laws, including:

28 (a) A description of significant fraud or abuse, and of
29 vulnerabilities or deficiencies relating to the prevention and
30 detection of fraud or abuse in public assistance programs, discovered
31 as a result of investigations completed during the reporting period;

32 (b) Recommendations for improving the activities of the office of
33 fraud and accountability with respect to the vulnerabilities or
34 deficiencies identified under (a) of this subsection;

35 (c) An identification of each significant recommendation described
36 in the previous reports on which corrective action has, or has not,
37 been completed;

1 (d) The response from the office of fraud and accountability to any
2 of the report findings, recommendations, or information provided in the
3 report;

4 (e) A summary of matters referred to prosecuting authorities during
5 the reporting period and the charges filed and convictions entered
6 during the reporting period that have resulted from referrals by the
7 office of fraud and accountability; and

8 (f) A description of the ease of access allowed by the office of
9 fraud and accountability to all necessary data and personnel for
10 purposes of conducting the audit.

11 (4) Information gathered by department staff, the office of fraud
12 and accountability, and the fraud ombudsman shall be safeguarded and
13 remain confidential as required by applicable state and federal law.

14 NEW SECTION. **Sec. 24.** A new section is added to chapter 43.20A
15 RCW to read as follows:

16 No later than January 1, 2012, the department shall establish an
17 employee incentive program pilot for those employees who work directly
18 with participants in the WorkFirst program. The pilot shall provide
19 for eight hours of paid annual leave per year, in addition to the
20 annual leave the employee normally accrues, for those employees who
21 assist participants in meeting certain outcomes to be established by
22 the department. The outcomes established must be of significance for
23 the participant and can include achieving unsubsidized employment or
24 the removal of a significant barrier to unsubsidized employment. The
25 department shall report to the legislature by January 1, 2013, on the
26 implementation of the pilot project, including how many employees
27 received paid annual leave, what outcomes were achieved, and the
28 savings associated with the achievement of the outcomes.

29 NEW SECTION. **Sec. 25.** This act is necessary for the immediate
30 preservation of the public peace, health, or safety, or support of the
31 state government and its existing public institutions, and takes effect
32 July 1, 2011."

ADOPTED 04/27/2011

1 On page 1, line 1 of the title, after "services;" strike the
2 remainder of the title and insert "amending RCW 74.08A.260, 74.08A.290,
3 74.08A.010, 74.20.040, 74.20.330, 43.215.135, 74.08.580, 66.16.041,
4 9.46.410, 74.04.012, 43.20A.605, and 49.60.210; adding a new section to
5 chapter 74.12 RCW; adding a new section to chapter 74.08A RCW; adding
6 a new section to chapter 43.215 RCW; adding a new section to chapter
7 66.24 RCW; adding a new section to chapter 18.300 RCW; adding a new
8 section to chapter 18.185 RCW; adding new sections to chapter 74.04
9 RCW; adding a new section to chapter 43.09 RCW; adding a new section to
10 chapter 43.20A RCW; creating new sections; prescribing penalties;
11 providing an effective date; providing an expiration date; and
12 declaring an emergency."

EFFECT: Makes several technical amendments. Requires DSHS to notify the licensing agency for the business that is violating the provision requiring the business to disable its point of sale and ATM machines from accepting EBT cards.

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