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5 Strike everything after the enacting clause and insert the
6 following:

7 **"PART I - TIME LIMITS ON PUBLIC ASSISTANCE**

8 **Sec. 101.** RCW 74.12.420 and 1994 c 299 s 9 are each amended to
9 read as follows:

10 The legislature recognizes that long-term recipients of aid to
11 families with dependent children may require a period of several years
12 to attain economic self-sufficiency. To provide incentives for long-
13 term recipients to leave public assistance and accept paid employment,
14 the legislature finds that less punitive and onerous sanctions than
15 those required by the federal government are appropriate. The
16 legislature finds that a ten percent reduction in grants for long-term
17 recipients that may be replaced through earned income is a more
18 positive approach than sanctions required by the federal government for
19 long-term recipients who fail to comply with requirements of the job
20 opportunities and basic skills program. A long-term recipient shall
21 not be subject to two simultaneous sanctions for failure to comply with
22 the participation requirements of the job opportunities and basic
23 skills program and for exceeding the length of stay provisions of this
24 section.

25 (1) After ~~((forty-eight))~~ twenty-four monthly benefit payments in
26 ~~((a))~~ the preceding sixty-month period, and after each of three
27 additional twelve monthly benefit payments, the aid to families with
28 dependent children monthly benefit payment shall be reduced by ten
29 percent of the payment standard~~((, except that))~~. After seventy-two
30 full or partial monthly benefit payments, a recipient is ineligible for
31 monthly benefit payments for two years. After ~~((forty-eight))~~ thirty-
32 six monthly payments in ~~((a))~~ the preceding sixty-month period, full
33 monthly benefit payments may be made if:

34 (a) The person is incapacitated or is needed in the home to care
35 for a member of the household who is incapacitated;

1 (b) The person is needed in the home to care for a child who is
2 under three years of age;

3 (c) There are no adults in the assistance unit;

4 (d) The person is ~~((cooperating in the development and
5 implementation of an employability plan))~~ actively participating in the
6 job opportunities and basic skills training program while receiving aid
7 to families with dependent children and no present full-time, part-
8 time, or unpaid work experience job is offered; ~~((or))~~

9 (e) During a month in which a grant reduction would be imposed
10 under this section, the person is participating in an unpaid work
11 experience program;

12 (f) Child care is not made available by the department; or

13 (g) The person was not offered services by the job opportunities
14 and basic skills program at least six months before the benefit
15 reduction.

16 ~~(2) ((For purposes of determining the amount of the food stamp
17 benefit for recipients subject to benefit reductions provided for in
18 subsection (1) of this section, countable income from the aid to
19 families with dependent children program shall be set at the payment
20 standard.~~

21 ~~(3))~~ For purposes of determining monthly benefit payments for two-
22 parent aid to families with dependent children households, the length
23 of stay criterion will be applied to the parent with the longer history
24 of public assistance receipt.

25 NEW SECTION. Sec. 102. A new section is added to chapter 74.12
26 RCW to read as follows:

27 A recipient's length of stay shall be determined based on actual
28 months of receipt of public assistance, including months of receipt of
29 public assistance before the effective date of this section. Benefits
30 shall not be reduced under this section before July 1, 1996.

31 NEW SECTION. Sec. 103. A new section is added to chapter 74.12
32 RCW to read as follows:

33 A family receiving or applying for assistance under the aid to
34 families with dependent children program shall enter into a contract
35 satisfying the requirements of this section. The contract shall be
36 entered into by the department of social and health services and the
37 recipient on a form prescribed by the department. The contract shall

1 include a list of available benefits to which the family is eligible,
2 a summary of the responsibilities the recipient must accept, and
3 related conditions of benefits, including time limits and benefit
4 reductions.

5 **PART II - TAX INCENTIVES FOR BUSINESS**
6 **TO TRAIN AND HIRE PUBLIC ASSISTANCE RECIPIENTS**

7 NEW SECTION. **Sec. 201.** It is the intent of the legislature that
8 the department of social and health services, the employment security
9 department, the work force training and education coordinating board,
10 the department of community, trade, and economic development, and the
11 community and technical colleges work together to market the tax
12 incentive program established under section 205 of this act.

13 The goals of the tax incentive program are to give employers
14 incentives to hire and train public assistance recipients and to
15 increase the employability of public assistance recipients.

16 The legislature intends to achieve these goals through the
17 provision of tax incentives in the form of tax credits for persons who
18 agree, in writing, to hire and train recipients of aid to families with
19 dependent children.

20 The legislature finds that incentives should be targeted by
21 allowing smaller incentives to employers of recipients who have already
22 achieved the higher levels of education and job experience while
23 providing larger incentives for employers of recipients who are less
24 job ready.

25 NEW SECTION. **Sec. 202.** (1) A person shall be allowed a credit
26 against tax due under chapter 82.04 or 82.16 RCW of an amount equal to
27 one hundred twenty percent of the payment made by an employer to a
28 qualified training institution under a training plan for training a
29 qualified employee, subject to the limitations set forth in this
30 section. A person may not receive a credit for the same amounts under
31 both chapters 82.04 and 82.16 RCW.

32 (2) A person claiming the credit shall file an affidavit form
33 prescribed by the department, which shall include the amount of the
34 credit claimed and additional information as the department may
35 require.

36 (3)(a) The tax credit in respect to any qualified employee may not

1 in a calendar year exceed:

2 (i) The lesser of eight percent of the qualified employee's gross
3 annual wages or one thousand two hundred dollars in the case of a
4 category 1 qualified employee;

5 (ii) The lesser of sixteen percent of the qualified employee's
6 gross annual wages or two thousand four hundred dollars, in the case of
7 a category 2 qualified employee; or

8 (iii) The lesser of twenty-four percent of the qualified employee's
9 gross annual wages or three thousand six hundred dollars in the case of
10 a category 3 qualified employee.

11 (b) The office of financial management shall, by December 1, 1995,
12 for calendar year 1996, and by December 1, each year thereafter by
13 December 1 adjust the payment maximums under this subsection (3) to
14 reflect inflation, using the previous calendar year's limit adjusted by
15 an appropriate federal inflationary index reflecting the rate of
16 inflation for the previous year. The department shall publish the new
17 payment maximums.

18 (4) The credit in respect to any qualified employee may not be
19 taken:

20 (a) For more than one year of training in the case of a category 1
21 qualified employee; or

22 (b) For more than three years of training in the case of a category
23 2 or category 3 qualified employee.

24 (5) The credit shall be taken against taxes due for the same
25 calendar year in which the payment is made to the qualified training
26 institution and must be claimed by the due date of the last tax return
27 for the calendar year in which the payment is made to the qualified
28 training institution.

29 (6) The department shall allow accrual of tax credits to a
30 successor employer, if the business or firm is sold, assigned,
31 conveyed, or otherwise transferred.

32 (7) Total credits allowed to all persons claiming credits may not
33 exceed fifteen million dollars in any biennium.

34 (8) This section shall expire December 31, 2003.

35 NEW SECTION. **Sec. 203.** The definitions in this section apply
36 throughout this chapter and sections 205 through 208 of this act,
37 unless the context indicates otherwise.

38 (1) "Gross annual wages" means salary, wages, tips, and other

1 compensation paid to a qualified employee paid by an employer claiming
2 the credit under this section during the calendar year for which the
3 credit is claimed.

4 (2) "Qualified employee" and "category 1, 2, or 3 qualified
5 employee" means a person certified as such by the department of social
6 and health services who is hired before June 30, 2000. "Qualified
7 employee" does not include any person hired by an employer to replace
8 strikers or locked-out workers.

9 (3) "Qualified training institution" means a community or technical
10 college, four-year college or university, public or private
11 institution, apprenticeship programs recognized by the Washington state
12 apprenticeship and training council, or a private industry council that
13 has entered into a training plan that provides for the training of a
14 qualified employee of a person claiming the credit under this section.

15 (4) "Person" has the meaning given in RCW 82.04.030.

16 (5) "Training plan" means a written agreement, signed by a
17 qualified employee, a union or other employee bargaining representative
18 if the position is covered by a collective bargaining agreement, a
19 qualified training institution, the department of social and health
20 services or a designee of the department, and an employer claiming the
21 credit under this section, which specifies the amount that the employer
22 will pay the qualified training institution for the payment costs for
23 the qualified employee, the learning objectives that will be achieved
24 by the training, and a statement of progressively increasing scale of
25 wages to be paid to the employee during the training plan period, using
26 a wage scale that exceeds federal poverty levels for a family of three.

27 NEW SECTION. **Sec. 204.** Chapter 82.32 RCW applies to the
28 administration of this chapter.

29 NEW SECTION. **Sec. 205.** (1) The tax incentive program is hereby
30 established. The department of social and health services is
31 authorized to enter into training plans. The department of social and
32 health services shall by rule adopt guidelines for the tax incentive
33 program. The guidelines shall include, but are not limited to:

34 (a) Designation of three categories of eligible aid to families
35 with dependent children recipients. The department of social and
36 health services shall by rule establish criteria for assigning
37 recipients into categories 1, 2, and 3. In establishing the criteria,

1 the department shall consider the degree of work experience, training,
2 wage and employment history, and education, category 1 representing
3 recipients with the highest degree of job readiness.

4 (b) Selection criteria that includes establishment of a pool of
5 prospective public assistance participants.

6 (c) A restriction on the total number of employees that an employer
7 may have in the program, except that no more than twenty percent of the
8 employers' employees may participate in the program.

9 (d) A requirement that the employer participate in the earned
10 income tax credit program.

11 (e) Standards regarding length of training plans, requiring the
12 training institution to design the plan length so that it meets
13 accepted training standards for that industry or profession. Training
14 plans may not exceed three years.

15 (2) Qualified training institutions are deemed accredited for the
16 purposes of this chapter if they meet national standards, standards of
17 the state board for community and technical colleges, or standards of
18 the work force training and education coordinating board.

19 (3) The department of social and health services may contract with
20 a public or private entity to carry out the department's duties under
21 this chapter. The department of social and health services reserves
22 the right to withdraw designation of authority to this entity without
23 showing cause.

24 (4) The department of social and health services shall manage the
25 program so that the total amount of credits by all persons claiming tax
26 credits under sections 201 through 204 of this act does not exceed
27 fifteen million dollars in any biennium. The department shall enter
28 into contracts with employers on a first-come, first-serve basis. The
29 department shall not enter into contracts if the potential amount of
30 credits by all persons potentially claiming credits will exceed fifteen
31 million dollars in any biennium.

32 NEW SECTION. **Sec. 206.** The department of social and health
33 services may institute an experimental and control group study under
34 this program. The department, in carrying out this study, may select
35 particular recipients or categories of recipients, and is not subject
36 to claims of discrimination from recipients who are not participating
37 in the experimental group, if the selection process is in the
38 furtherance of a valid public purpose.

1 NEW SECTION. **Sec. 207.** The department of social and health
2 services, the employment security department, the department of
3 community, trade, and economic development, and the community and
4 technical colleges shall cooperate and coordinate among the existing
5 state and federal assistance and training programs to focus the efforts
6 of enrollees and programs to most effectively achieve results from the
7 various programs.

8 NEW SECTION. **Sec. 208.** (1) No training plans may be entered into
9 after June 30, 2000. Contracts in effect on June 30, 2000, shall
10 continue in effect according to the terms of the contract.

11 (2) If the program under chapter . . . , Laws of 1995 (this act) is
12 terminated before June 30, 2000, persons eligible for tax credits at
13 the time of program termination under sections 201 through 205 of this
14 act shall receive such credits, subject to the limitations in section
15 202(7) of this act.

16 NEW SECTION. **Sec. 209.** The department of revenue and the
17 department of social and health services shall perform an assessment of
18 the results of the tax incentive program created by chapter . . . , Laws
19 of 1995 (this act) and deliver a report on the assessment to the
20 governor and the legislature by December 1, 1999. The assessment shall
21 measure the effect of the tax incentive program on increasing self-
22 sufficiency of public assistance recipients, and other factors the
23 department of revenue and the department of social and health services
24 may select.

25 **PART III - REQUIRING MANDATORY PARTICIPATION**
26 **IN THE JOB OPPORTUNITIES AND BASIC SKILLS PROGRAM**

27 **Sec. 301.** RCW 74.25.020 and 1993 c 312 s 7 are each amended to
28 read as follows:

29 (1) The department of social and health services is authorized to
30 contract with public and private employment and training agencies and
31 other public service entities to provide services prescribed or allowed
32 under the federal social security act, as amended, to carry out the
33 purposes of the jobs training program. The department of social and
34 health services has sole authority and responsibility to carry out the
35 job opportunities and basic skills training program. No contracting

1 entity shall have the authority to review, change, or disapprove any
2 administrative decision, or otherwise substitute its judgment for that
3 of the department of social and health services as to the application
4 of policies and rules adopted by the department of social and health
5 services.

6 (2) ~~((To the extent feasible under federal law, the department of
7 social and health services and all entities contracting with it shall
8 give first priority of service to individuals volunteering for program
9 participation))~~ The department of social and health services shall
10 develop a realistic schedule for the phase-in of client participation
11 in the job opportunities and basic skills training program based on the
12 availability of state and federal funding.

13 (3) The department of social and health services shall adopt rules
14 under chapter 34.05 RCW ~~((establishing))~~ that conform to the criteria
15 in federal law for mandatory program participation as well as establish
16 criteria constituting circumstances of good cause for an individual
17 failing or refusing to participate in an assigned program component, or
18 failing or refusing to accept or retain employment. ((These)) The good
19 cause criteria shall include, but not be limited to, the following
20 circumstances: (a) If the individual is a parent or other relative
21 personally providing care for a child under age ~~((six))~~ three years,
22 and the employment would require the individual to work more than
23 twenty hours per week; (b) if child care, or day care for an
24 incapacitated individual living in the same home as a dependent child,
25 is necessary for an individual to participate or continue participation
26 in the program or accept employment, and such care is not available,
27 and the department of social and health services fails to provide such
28 care; (c) the employment would result in the family of the participant
29 experiencing a net loss of cash income; or (d) circumstances that are
30 beyond the control of the individual's household, either on a short-
31 term or on an ongoing basis.

32 ~~((+4))~~ (3) The department of social and health services shall
33 adopt rules under chapter 34.05 RCW as necessary to effectuate the
34 intent and purpose of this chapter.

35 **PART IV - CHILD SUPPORT**

36 NEW SECTION. Sec. 401. A new section is added to chapter 74.20A
37 RCW to read as follows:

1 (1) The department may serve a notice upon a responsible parent
2 informing that parent of the department's intent to certify the parent
3 to the department of licensing as an individual who is not in
4 compliance with a child support order. "Noncompliance with a child
5 support order" means cases where arrears totaling three or more months
6 of current support have accumulated since the entry of the order and
7 the responsible parent has not made arrangements satisfactory to the
8 division of child support to pay current support and retire the
9 arrears. The notice shall be served personally, or by any form of mail
10 requiring a return receipt. The notice shall inform the responsible
11 parent that:

12 (a) The parent may contest the issue of compliance at an
13 adjudicative proceeding pursuant to chapter 34.05 RCW;

14 (b) A request for an adjudicative proceeding shall be in writing
15 and must be received by the department within twenty days of the date
16 of service;

17 (c) If the parent requests an adjudicative proceeding within twenty
18 days of the date of service, the department shall stay action to
19 certify the parent to the department of licensing pending the outcome
20 of the adjudicative proceeding;

21 (d) The department shall certify the parent to the department of
22 licensing for noncompliance with a child support order unless the
23 parent, within twenty days of the date the notice is served:

24 (i) Requests an adjudicative proceeding to contest the issue of
25 noncompliance; or

26 (ii) Makes arrangements, satisfactory to the department, to pay
27 current support and retire the past-due child support debt;

28 (e) If the department certifies the parent to the department of
29 licensing, the department of licensing shall suspend the parent's
30 driver's license;

31 (f) If the parent requests an adjudicative proceeding, the parent
32 shall direct the request to the division of child support field office
33 that is responsible for handling the parent's case; and

34 (g) If the parent files an action to modify support with the
35 appropriate judicial or administrative forum that issued the order, the
36 department shall, for up to one hundred eighty days, stay action to
37 certify the parent to the department of licensing for noncompliance
38 with a child support order.

39 (2) The notice shall include the address and telephone number of

1 the division of child support field office that issues the notice, a
2 copy of the responsible parent's child support order, and the amount of
3 the delinquency.

4 (3) A responsible parent may request an adjudicative proceeding
5 within twenty days of the date the notice is served. The request for
6 adjudicative proceeding shall be in writing and include the responsible
7 parent's current address. The adjudicative proceeding will be
8 conducted in accordance with the procedures in chapter 34.05 RCW and
9 the rules of the department. The issues that may be considered at an
10 adjudicative proceeding under this section are limited to whether the
11 parent is required to pay child support under a child support order and
12 whether the parent is in compliance with that order.

13 (4) The decision resulting from the adjudicative proceeding shall
14 be in writing and inform the responsible parent of all rights to
15 review. The responsible parent's copy of any order resulting from the
16 adjudicative proceeding may be sent to the parent by regular mail.

17 (5) If a responsible parent timely requests an adjudicative
18 proceeding to contest the issue of compliance with the child support
19 order, the department may not certify the name of the parent to the
20 department of licensing unless the adjudicative proceeding process
21 results in a finding that the parent is not in compliance with the
22 child support order.

23 (6) If a responsible parent fails to respond timely to the original
24 notice, the department shall issue a second notice to the parent. The
25 second notice shall advise the parent that the department shall, ninety
26 days from the date of the second notice, certify the parent to the
27 department of licensing for noncompliance with a child support order
28 unless the parent makes arrangements satisfactory to the division of
29 child support to pay current support and retire the delinquency under
30 the child support order. This second notice shall be sent by regular
31 mail and the parent may not contest this second notice by requesting an
32 adjudicative proceeding.

33 (7) The department may certify in writing, or by electronic
34 transfer, to the department of licensing that a responsible parent is
35 not in compliance with a child support order if:

36 (a) The parent does not timely request an adjudicative proceeding
37 upon service of a notice issued under this section and is not in
38 compliance with a child support order twenty-one days after service of
39 the notice;

1 (b) Within twenty days of receiving the notice under this section
2 the parent fails to make arrangements satisfactory to the division of
3 child support to pay current support and retire the delinquency under
4 the child support order; or

5 (c) The parent timely requests an adjudicative proceeding that
6 results in a final order that the parent is not in compliance with a
7 child support order.

8 The department shall send by regular mail a copy of any
9 certification of noncompliance filed with the department of licensing
10 to the responsible parent at the parent's last known address.

11 (8) The department shall release certifications of noncompliance
12 previously filed with the department of licensing when the parent is in
13 compliance with the child support order or makes satisfactory
14 arrangements with the division of child support to retire any
15 delinquency under the order. The department shall issue such releases
16 to the department of licensing in writing, or by electronic transfer.
17 The department shall send the parent a copy of the release by regular
18 mail.

19 (9) Nothing in this section prohibits a responsible parent from
20 filing an action with the appropriate forum to modify the child support
21 order. The department shall, for up to one hundred eighty days, stay
22 action to certify the parent to the department of licensing for
23 noncompliance with a child support order if the parent files an action
24 to modify the order.

25 (10) The department shall adopt rules to implement and enforce the
26 requirements of this section.

27 NEW SECTION. **Sec. 402.** A new section is added to chapter 46.20
28 RCW to read as follows:

29 In addition to other qualifications and conditions established
30 under this chapter, the right of an individual to hold a driver's
31 license issued by the department is subject to the requirements of
32 section 401 of this act.

33 NEW SECTION. **Sec. 403.** A new section is added to chapter 46.20
34 RCW to read as follows:

35 Within thirty days of the department's receipt of a written notice
36 from the department of social and health services as provided under
37 chapter 74.20A RCW, stating that a child support obligor who operates

1 a motor vehicle is not in compliance with a child support order, the
2 department shall suspend the obligor's driver's license. The
3 department may not reinstate a license suspended for noncompliance with
4 a child support order until authorized by the secretary of the
5 department of social and health services, or his or her authorized
6 representative.

7 NEW SECTION. **Sec. 404.** A new section is added to chapter 46.20
8 RCW to read as follows:

9 Upon suspending an individual's driver's license under section 403
10 of this act, the department shall notify the individual of the
11 suspension. The notice of suspension shall specify the reason for, and
12 the effective date of, the suspension. The notice of suspension shall
13 inform the individual that in order to apply for reinstatement, the
14 individual shall obtain written authorization from the department of
15 social and health services. The notice of suspension shall inform the
16 individual of the right to petition for judicial review of the notice
17 of suspension in superior court within thirty days of receipt of the
18 notice. The department shall send a copy of the notice of suspension
19 to the department of social and health services.

20 NEW SECTION. **Sec. 405.** A new section is added to chapter 46.20
21 RCW to read as follows:

22 Upon receipt of a release of certification issued by the department
23 of social and health services, and at the request of an individual
24 whose driver's license has been suspended under section 403 of this
25 act, the department shall reissue the individual's driver's license
26 provided the individual is otherwise eligible under this chapter to
27 obtain a driver's license.

28 NEW SECTION. **Sec. 406.** A new section is added to chapter 46.20
29 RCW to read as follows:

30 The department of social and health services and the department of
31 licensing may enter into an interagency agreement to carry out the
32 requirements of chapter ..., Laws of 1995 (this act).

33 NEW SECTION. **Sec. 407.** A new section is added to chapter 46.20
34 RCW to read as follows:

35 The department of social and health services shall indemnify the

1 department for reasonable legal expenses incurred in defending the
2 department's actions to comply with the requirements in sections 401
3 through 405 of this act.

4 **PART V - MISCELLANEOUS**

5 NEW SECTION. **Sec. 501.** A new section is added to chapter 74.12
6 RCW to read as follows:

7 The provision that recipients of aid to families with dependent
8 children may earn and keep the first thirty dollars and one-third of
9 the remaining amount earned without having their monthly benefit
10 payment reduced by that amount may be extended up to a twelve-month
11 period.

12 NEW SECTION. **Sec. 502.** A new section is added to chapter 74.12
13 RCW to read as follows:

14 The department shall take all reasonable steps to determine the
15 identity of the noncustodial parent. The department shall cooperate
16 with licensed health care providers, prosecuting attorneys, and other
17 interested parties to determine the noncustodial parent's identity.

18 NEW SECTION. **Sec. 503.** A new section is added to chapter 74.04
19 RCW to read as follows:

20 The department shall reduce the fraudulent receipt of public
21 assistance through the implementation of an electronic benefit transfer
22 system for all public assistance programs. The department shall also
23 establish new verification requirements and fraud deterrence and
24 detection systems for all public assistance programs.

25 NEW SECTION. **Sec. 504.** Any savings resulting from the provisions
26 of this act during the 1995-97 biennium shall be used to provide
27 employment child care subsidies for low-income working families who
28 have never received public assistance from the state of Washington
29 under Title 74 RCW.

30 NEW SECTION. **Sec. 505.** Part headings as used in this act do not
31 constitute any part of the law.

32 NEW SECTION. **Sec. 506.** (1) Sections 201 through 204 of this act

1 shall constitute a new chapter in Title 82 RCW.

2 (2) Sections 205 through 208 of this act shall constitute a new
3 chapter in Title 74 RCW.

4 NEW SECTION. **Sec. 507.** If any part of this act is found to be in
5 conflict with federal requirements that are a prescribed condition to
6 the allocation of federal funds to the state, the conflicting part of
7 this act is inoperative solely to the extent of the conflict and with
8 respect to the agencies directly affected, and this finding does not
9 affect the operation of the remainder of this act in its application to
10 the agencies concerned. The rules under this act shall meet federal
11 requirements that are a necessary condition to the receipt of federal
12 funds by the state.

13 NEW SECTION. **Sec. 508.** If any provision of this act or its
14 application to any person or circumstance is held invalid, the
15 remainder of the act or the application of the provision to other
16 persons or circumstances is not affected.

17 NEW SECTION. **Sec. 509.** Sections 201 through 208 of this act are
18 necessary for the immediate preservation of the public peace, health,
19 or safety, or support of the state government and its existing public
20 institutions, and shall take effect July 1, 1995."

21 **2SHB 1481** - H AMD

22 By Representatives Sommers, Grant, and Thibaudeau

23

24 On page 1, line 4 of the title, after "benefits;" strike the
25 remainder of the title and insert "amending RCW 74.12.420 and
26 74.25.020; adding new sections to chapter 74.12 RCW; adding a new
27 section to chapter 74.20A RCW; adding new sections to chapter 46.20
28 RCW; adding a new section to chapter 74.04 RCW; adding a new chapter to
29 Title 82 RCW; adding a new chapter to Title 74 RCW; creating new
30 sections; providing an effective date; and declaring an emergency."

--- END ---