

HOUSE BILL REPORT

HB 1624

As Reported by House Committee On:
Technology, Telecommunications & Energy
Appropriations

Title: An act relating to the Washington telephone assistance program.

Brief Description: Modifying provisions of the Washington telephone assistance program.

Sponsors: Representatives Hudgins, Pettigrew, Crouse, Morris, Nixon, Linville and Sullivan; by request of Department of Social and Health Services.

Brief History:

Committee Activity:

Technology, Telecommunications & Energy: 2/12/03, 2/14/03 [DPS];
Appropriations: 2/25/03, 3/3/03 [DPS(TTE)].

Brief Summary of Substitute Bill

- Extends the Washington Telephone Assistance Program indefinitely and modifies the program to include community voice mail as a service for qualifying recipients.

HOUSE COMMITTEE ON TECHNOLOGY, TELECOMMUNICATIONS & ENERGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Morris, Chair; Ruderman, Vice Chair; Sullivan, Vice Chair; Crouse, Ranking Minority Member; Nixon, Assistant Ranking Minority Member; Anderson, Blake, Bush, DeBolt, Delvin, Hudgins, Kirby, McMahan, Romero, Tom, Wallace and Wood.

Staff: Pam Madson (786-7166).

Background:

The Washington Telephone Assistance Program (WTAP) has been operating since 1987 to help provide telephone services to low-income residents of the state. The program provides a reduced monthly charge for basic telephone service, a 50 percent discount on connection fees, and waivers of deposits for local telephone service. The Department of

Social and Health Services (DSHS) is the program administrator for the WTAP. The program is set to expire on June 30, 2003.

Households are eligible for the WTAP if they have an adult recipient of one or more of the public assistance programs administered by the DSHS. Individuals must apply through their local telephone company for the WTAP assistance. The service for which partial reimbursement is paid must be the lowest available flat rate telephone service. The program currently serves approximately 119,000 households.

The Washington Utilities and Transportation Commission (WUTC) sets the excise tax which funds the program. The excise tax is limited by statute to no more than 14 cents on all switched telephone lines in the state. The current excise tax is set at 13 cents and is collected from 57 telephone companies. Twenty-four telephone companies provide service under WTAP. The excise tax does not apply to wireless companies. In fiscal year 2002, the excise tax receipts collected from participating telephone companies were \$5.49 million, and program costs were \$6.42 million. The fund balance at the end of the program year was \$5.8 million. The trend in recent years has been that program costs are greater than the revenue collected. This trend is drawing down the fund balance over time.

The Federal Lifeline Program provides additional assistance toward a household's basic monthly telephone charges. The household pays the first \$4 of their monthly local telephone service, the federal program provides up to \$7.85 and the WTAP pays the remainder of the charge which is typically a total of around \$17. Connection charges are paid by the WTAP and the Federal Link Up Program. A household may receive WTAP assistance once a year. The federal program does not have a similar limitation.

Community voice mail is a computerized telephone answering system that is housed in a lead public agency and is shared by other community service agencies. It allows agencies to provide clients with an individual telephone number and a voice mail box where they can record a personal message and access their messages through use of a personal code from any location. The service is provided to those who do not have traditional telephone service.

Ten communities in Washington currently operate community voice mail programs through local community action agencies. They serve low-income and homeless people who are searching for employment or housing, or are working under other case management plans. In 2002 the Legislature allowed former recipients of community voice mail to transition to WTAP services for a limited period of time.

Summary of Substitute Bill:

The Washington Telephone Assistance Program (WTAP) is extended indefinitely.

The program is modified to include community service voice mail as a WTAP service. The DSHS will contract with the Department of Community, Trade, and Economic Development (DCTED) to administer community voice mail services through local community action or community service agencies. The program is capped at 8 percent of the previous year's total revenue for the WTAP. Recipients may receive either local telephone service or community voice mail service but not both at the same time. The connection discount is no longer limited to once a year.

Substitute Bill Compared to Original Bill:

The substitute bill restores current statutory language that describes the service available to a Washington Telephone Assistance Program participant as flat rate service and removes the requirement that any amount that must be paid by a participant be paid to the company over at least a 12-month period without interest.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The Washington Telephone Assistance Program has been around for 15 years and it's time to make it permanent. It is a worthy program, and it is a great example of a state, federal, and private partnership. It is administratively efficient. Monitoring will continue through a yearly report to the Legislature. The addition of community voice mail is an investment of minimal funds for a large return. Community voice mail services provides voice mail like a home phone message machine to homeless and low-income persons seeking housing and employment. It also provides a safe and secure way to stay in contact with family and necessary services particularly by those fleeing from domestic violence. It is a necessary and valuable service with great results. Funding for voice mail programs throughout the state is decreasing.

Testimony Against: None.

Testified: Representative Hudgins, prime sponsor; Chuck Schufreider, Community Voice Mail and Volunteers of America; Tony Lee, Fremont Public Association; Mike Masten, Department of Social and Health Services; Seth Dawson, Washington State Coalition for the Homeless and Washington State Association for Community Action; and Tom Walker, Qwest.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Technology, Telecommunications & Energy be substituted therefor and the substitute bill do pass. Signed by 19 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Boldt, Cody, Conway, DeBolt, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, Miloscia, Ruderman, Schual-Berke and Talcott.

Minority Report: Do not pass. Signed by 7 members: Representatives Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Buck, Clements, Cox, Pflug and Sump.

Staff: Heather Flodstrom (786-7391).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Technology, Telecommunications & Energy:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The Washington Telephone Assistance Program funding is flexible and the expenditures are currently exceeding the revenues. If this became a problem the cost of the telephone assistance for the individual recipients could be raised from \$4 to \$5, so the fund will not likely go insolvent. Community voice-mail is delivered through 10 sites, and each voice-mail box costs an average of \$8. There are currently 8,000 community voice-mail boxes, and this bill would add another 1,000 voice-mail boxes. People that are phoneless and homeless need to have a place to receive messages so that they can get jobs and get off unemployment and public assistance. Continuation of the community voice-mail can help get people out of homelessness.

Testimony Against: None.

Testified: Mike Mastin, Department of Social and Health Services; Seth Dawson, Washington State Coalition for the Homeless; Chuck Schufreider, Volunteers of America; and Tony Lee, Fremont Public Association.