

ESSB 5921 - H COMM AMD
By Committee on Ways & Means

ADOPTED AS AMENDED 05/13/2011

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 The legislature further finds that parents are responsible for the
25 support of their children and that they have up to sixty months of
26 receipt of temporary assistance for needy families benefits, absent any
27 applicable hardship extension, to achieve stable and sustainable
28 employment or find other means to support their family. It is the
29 intent of the legislature to apply a sixty-month time limit to the
30 temporary assistance for needy families program, including households

1 in which a parent is in the home and ineligible for temporary
2 assistance for needy families. The legislature intends that hardship
3 extensions be applied to families subject to time limits.

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

6 (1) Each recipient shall be assessed after determination of program
7 eligibility and before referral to job search. Assessments shall be
8 based upon factors that are critical to obtaining employment, including
9 but not limited to education, availability of child care, history of
10 family violence, history of substance abuse, and other factors that
11 affect the ability to obtain employment. Assessments may be performed
12 by the department or by a contracted entity. The assessment shall be
13 based on a uniform, consistent, transferable format that will be
14 accepted by all agencies and organizations serving the recipient.

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

26 ((+2)) (3) Recipients who are not engaged in work and work
27 activities, and do not qualify for a good cause exemption under RCW
28 74.08A.270, shall engage in self-directed service as provided in RCW
29 74.08A.330.

30 ((+3)) (4) If a recipient refuses to engage in work and work
31 activities required by the department, the family's grant shall be
32 reduced by the recipient's share, and may, if the department determines
33 it appropriate, be terminated.

34 ((+4)) (5) The department may waive the penalties required under
35 subsection ((+3)) (4) of this section, subject to a finding that the
36 recipient refused to engage in work for good cause provided in RCW
37 74.08A.270.

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

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

9 (7) Assessments conducted under this section shall include a
10 consideration of the potential benefit to the recipient of engaging in
11 financial literacy activities. The department shall consider the
12 options for financial literacy activities available in the community,
13 including information and resources available through the financial
14 (~~(literacy))~~ education public-private partnership created under RCW
15 28A.300.450. The department may authorize up to ten hours of financial
16 literacy activities as a core activity or an optional activity under
17 WorkFirst.

18 (8)(a) From July 1, 2011, through June 30, 2012, subsections (2)
19 through (6) of this section are suspended for a recipient who is a
20 parent or other relative personally providing care for one child under
21 the age of two years, or two or more children under the age of six
22 years. This suspension applies to both one and two parent families.
23 However, both parents in a two-parent family cannot use the suspension
24 during the same month. Beginning July 1, 2012, the department shall
25 phase in the work activity requirements that were suspended, beginning
26 with those recipients closest to reaching the sixty-month limit of
27 receiving temporary assistance for needy families under RCW
28 74.08A.010(1). The phase in shall be accomplished so that a fairly
29 equal number of recipients required to participate in work activities
30 are returned to those activities each month until the total number
31 required to participate is participating by June 30, 2013. Nothing in
32 this subsection shall prevent a recipient from participating in the
33 WorkFirst program on a voluntary basis. Recipients who participate in
34 the WorkFirst program on a voluntary basis shall be provided an option
35 to participate in the program on a part-time basis, consisting of
36 sixteen or fewer hours of activities per week. Recipients also may
37 participate voluntarily on a full-time basis.

1 (b)(i) The period of suspension of work activities under this
2 subsection provides an opportunity for the legislative and executive
3 branch to work cooperatively on redesign of the WorkFirst program. To
4 realize this opportunity, both during the period of suspension and
5 following reinstatement of work activity requirements as redesign is
6 being implemented, a legislative task force overseeing the WorkFirst
7 program is established, with members as provided in this subsection.

8 (ii) The president of the senate shall appoint two members from
9 each of the two largest caucuses of the senate.

10 (iii) The speaker of the house of representatives shall appoint two
11 members from each of the two largest caucuses of the house of
12 representatives.

13 (iv) The governor shall appoint members representing the department
14 of social and health services, the department of early learning, the
15 department of commerce, the employment security department, the office
16 of financial management, and the state board for community and
17 technical colleges.

18 (v) The task force shall choose cochairs, one from among the
19 legislative members and one from among the executive branch members.
20 The legislative members shall convene the initial meeting of the task
21 force.

22 (c) The task force shall:

23 (i) Oversee the redesign of the WorkFirst program and the
24 implementation of the statutes and budget provisions controlling the
25 temporary assistance for needy families program;

26 (ii) Determine evidence-based outcome measures for the WorkFirst
27 program;

28 (iii) Develop accountability measures for the WorkFirst recipients
29 and the state agencies responsible for their progress toward self-
30 sufficiency;

31 (iv) As part of the WorkFirst redesign, oversee the implementation
32 of a comprehensive family assessment to be used at program entry; the
33 use of an evaluation after completion of the family assessment which is
34 designed to identify the appropriate work preparation activities and
35 service levels for the recipient; and the use of a predictive modeling
36 tool to be used to identify risk factors relating to a recipient's
37 participation in the temporary assistance for needy families program
38 and his or her employability, and especially identifying those

1 recipients most likely to experience long stays on the program as well
2 as those recipients likely to experience short stays on the program;
3 and

4 (v) Improve the responsiveness of the WorkFirst program in meeting
5 the employment needs of Washington businesses.

6 (d) Staff support for the task force must be provided by senate
7 committee services, the house of representatives office of program
8 research, and the state agency members of the task force.

9 (e) The task force shall meet on a quarterly basis beginning
10 September 2011, or as determined necessary by the task force cochairs.
11 During state fiscal year 2012, it shall focus its efforts on the
12 redesign of the WorkFirst program. The task force shall report its
13 initial findings and recommendations to the governor and the
14 legislature no later than July 30, 2012.

15 (f) The responsibilities of the task force shall be to:

16 (i) Provide ongoing review of the implementation of the WorkFirst
17 redesign process to ensure that it is achieving results for its
18 clients;

19 (ii) Jointly decide how temporary assistance for needy families
20 state and federal dollars will be spent;

21 (iii) Make recommendations to the governor and the legislature
22 regarding necessary changes to the program;

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

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

28 (vi) Review and make recommendations on the implementation of
29 federal changes to the temporary assistance for needy families program;
30 and

31 (vii) Issue annual reports regarding its work.

32 (g) During its tenure, the state agency members of the task force
33 shall respond in a timely manner to data requests from the cochairs.
34 In addition, the task force will receive regular reports on the partner
35 agencies' progress toward the outcome goals and it will advise the
36 governor and the legislature on child care and temporary assistance for
37 needy families policies to improve the effectiveness of the WorkFirst
38 program over time.

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

3 (1) ~~((It is the intent of the legislature that))~~ On or before July
4 1, 2012, the department ~~((is authorized to))~~ shall engage in
5 competitive contracting using performance-based contracts to provide
6 all WorkFirst work activities ~~((authorized in chapter 58, Laws of 1997,~~
7 ~~including the job search component authorized in section 312 of this~~
8 ~~act))~~.

9 (2) The department ~~((may))~~ shall use competitive performance-based
10 contracting to select ~~((which vendors will participate))~~ the public or
11 private vendors to provide work activity services in the WorkFirst
12 program. WorkFirst work activity services provided by partner agencies
13 also shall be pursuant to performance-based contracts. Performance-
14 based contracts shall be awarded based on factors that include but are
15 not limited to the criteria listed in RCW 74.08A.410, past performance
16 of the contractor, demonstrated ability to perform the contract
17 effectively, financial strength of the contractor, and merits of the
18 proposal for services submitted by the contractor. Contracts shall be
19 made without regard to whether the contractor is a public or private
20 entity.

21 (3) The department ~~((may))~~ shall contract for an evaluation of the
22 competitive contracting practices and outcomes to be performed by ~~((an~~
23 ~~independent entity with expertise in government privatization and~~
24 ~~competitive strategies))~~ the Washington state institute for public
25 policy. The evaluation shall include ~~((quarterly))~~ annual progress
26 reports to the appropriate policy and fiscal committees of the
27 legislature and to the governor, starting ~~((at the first quarter after~~
28 ~~the effective date of the first competitive contract and ending two~~
29 ~~years after the effective date of the first competitive contract))~~ June
30 30, 2012.

31 (4) The department shall work with the legislative WorkFirst task
32 force established under RCW 74.08A.260 to develop appropriate outcomes
33 by which the contractor's performance will be measured. The outcomes
34 shall be developed no later than November 30, 2011.

35 (5) The department shall seek independent assistance in developing
36 contracting strategies to implement this section. Assistance may
37 include but is not limited to development of contract language, design

1 of requests for proposal, developing full cost information on
2 government services, evaluation of bids, and providing for equal
3 competition between private and public entities.

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

6 The department shall adopt rules, effective November 1, 2011,
7 establishing income eligibility for temporary assistance for needy
8 families benefits for a child, other than a foster child, who lives
9 with a caregiver other than his or her parents. The department shall
10 establish a sliding scale benefit standard for a child when the income
11 of the child's caregiver is above two hundred percent but below three
12 hundred percent of the federal poverty level based on family size. A
13 caregiver with an income above three hundred percent of the federal
14 poverty level shall not be eligible for temporary assistance for needy
15 families benefits for a child, not a foster child, who is residing with
16 that caregiver.

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

19 In determining the income eligibility of an applicant or recipient
20 for temporary assistance for needy families or WorkFirst, the
21 department shall not count the federal supplemental security income
22 received by a household member.

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

25 (1) A family that includes an adult who has received temporary
26 assistance for needy families for sixty months after July 27, 1997,
27 shall be ineligible for further temporary assistance for needy families
28 assistance.

29 (2) For the purposes of applying the rules of this section, the
30 department shall count any month in which an adult family member
31 received a temporary assistance for needy families cash assistance
32 grant unless the assistance was provided when the adult family member
33 was a minor child and not the head of the household or married to the
34 head of the household.

1 (3) The department shall adopt regulations to apply the sixty-month
2 time limit to households in which a parent is in the home and
3 ineligible for temporary assistance for needy families. Any
4 regulations shall be consistent with federal funding requirements.

5 (4) The department shall refer recipients who require specialized
6 assistance to appropriate department programs, crime victims' programs
7 through the department of ~~((community, trade, and economic~~
8 ~~development))~~ commerce, or the crime victims' compensation program of
9 the department of labor and industries.

10 ~~((+4))~~ (5) The department may exempt a recipient and the
11 recipient's family from the application of subsection (1) of this
12 section by reason of hardship or if the recipient meets the family
13 violence options of section 402(A)(7) of Title IVA of the federal
14 social security act as amended by P.L. 104-193. ~~((The number of~~
15 ~~recipients and their families exempted from subsection (1) of this~~
16 ~~section for a fiscal year shall not exceed twenty percent of the~~
17 ~~average monthly number of recipients and their families to which~~
18 ~~assistance is provided under the temporary assistance for needy~~
19 ~~families program.~~

20 ~~(+5))~~ Policies related to circumstances under which a recipient
21 will be exempted from the application of subsection (1) or (3) of this
22 section shall treat adults receiving benefits on their own behalf, and
23 parents receiving benefits on behalf of their child similarly, unless
24 required otherwise under federal law.

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

29 ~~((+6))~~ (7) Beginning on October 31, 2005, the department shall
30 provide transitional food stamp assistance for a period of five months
31 to a household that ceases to receive temporary assistance for needy
32 families assistance and is not in sanction status. If necessary, the
33 department shall extend the household's food stamp certification until
34 the end of the transition period.

35 **Sec. 7.** RCW 74.08.025 and 2005 c 174 s 2 are each amended to read
36 as follows:

37 (1) Public assistance may be awarded to any applicant:

1 (a) Who is in need and otherwise meets the eligibility requirements
2 of department assistance programs; and

3 (b) Who has not made a voluntary assignment of property or cash for
4 the purpose of qualifying for an assistance grant; and

5 (c) Who is not an inmate of a public institution except as a
6 patient in a medical institution or except as an inmate in a public
7 institution who could qualify for federal aid assistance: PROVIDED,
8 That the assistance paid by the department to recipients in nursing
9 homes, or receiving nursing home care, may cover the cost of clothing
10 and incidentals and general maintenance exclusive of medical care and
11 health services. The department may pay a grant to cover the cost of
12 clothing and personal incidentals in public or private medical
13 institutions and institutions for tuberculosis. The department shall
14 allow recipients in nursing homes to retain, in addition to the grant
15 to cover the cost of clothing and incidentals, wages received for work
16 as a part of a training or rehabilitative program designed to prepare
17 the recipient for less restrictive placement to the extent permitted
18 under Title XIX of the federal social security act.

19 (2) Any person otherwise qualified for temporary assistance for
20 needy families under this title who has resided in the state of
21 Washington for fewer than twelve consecutive months immediately
22 preceding application for assistance is limited to the benefit level in
23 the state in which the person resided immediately before Washington,
24 using the eligibility rules and other definitions established under
25 this chapter, that was obtainable on the date of application in
26 Washington state, if the benefit level of the prior state is lower than
27 the level provided to similarly situated applicants in Washington
28 state. The benefit level under this subsection shall be in effect for
29 the first twelve months a recipient is on temporary assistance for
30 needy families in Washington state.

31 (3) Any person otherwise qualified for temporary assistance for
32 needy families who is assessed through the state alcohol and substance
33 abuse program as drug or alcohol-dependent and requiring treatment to
34 become employable shall be required by the department to participate in
35 a drug or alcohol treatment program as a condition of benefit receipt.

36 (4) The department may implement a permanent disqualification for
37 adults who have been terminated due to WorkFirst noncompliance sanction
38 three or more times since March 1, 2007. A household that includes an

1 adult who has been permanently disqualified from receiving temporary
2 assistance for needy families shall be ineligible for further temporary
3 assistance for needy families assistance.

4 (5) Pursuant to 21 U.S.C. 862a(d)(1), the department shall exempt
5 individuals from the eligibility restrictions of 21 U.S.C. 862a(a)(1)
6 and (2) to ensure eligibility for temporary assistance for needy
7 families benefits and federal food assistance.

8 **Sec. 8.** RCW 74.08A.250 and 2009 c 353 s 6 are each amended to read
9 as follows:

10 Unless the context clearly requires otherwise, as used in this
11 chapter, "work activity" means:

12 (1) Unsubsidized paid employment in the private or public sector;

13 (2) Subsidized paid employment in the private or public sector,
14 including employment through the state or federal work-study program
15 for a period not to exceed twenty-four months;

16 (3) Work experience, including:

17 (a) An internship or practicum, that is paid or unpaid and is
18 required to complete a course of vocational training or to obtain a
19 license or certificate in a high-demand occupation, as determined by
20 the employment security department. No internship or practicum shall
21 exceed twelve months; or

22 (b) Work associated with the refurbishing of publicly assisted
23 housing, if sufficient paid employment is not available;

24 (4) On-the-job training;

25 (5) Job search and job readiness assistance;

26 (6) Community service programs, including a recipient's voluntary
27 service at a child care or preschool facility licensed under chapter
28 43.215 RCW or an elementary school in which his or her child is
29 enrolled;

30 (7) Vocational educational training, not to exceed twelve months
31 with respect to any individual;

32 (8) Job skills training directly related to employment;

33 (9) Education directly related to employment, in the case of a
34 recipient who has not received a high school diploma or a GED;

35 (10) Satisfactory attendance at secondary school or in a course of
36 study leading to a GED, in the case of a recipient who has not
37 completed secondary school or received such a certificate;

1 (11) The provision of child care services to an individual who is
2 participating in a community service program;

3 (12) Internships, that shall be paid or unpaid work experience
4 performed by an intern in a business, industry, or government or
5 nongovernmental agency setting;

6 (13) Practicums, which include any educational program in which a
7 student is working under the close supervision of a professional in an
8 agency, clinic, or other professional practice setting for purposes of
9 advancing their skills and knowledge;

10 (14) Services required by the recipient under RCW 74.08.025(3) and
11 74.08A.010(~~(3)~~) (4) to become employable; (~~and~~)

12 (15) Financial literacy activities designed to be effective in
13 assisting a recipient in becoming self-sufficient and financially
14 stable; and

15 (16) Parent education services or programs that support development
16 of appropriate parenting skills, life skills, and employment-related
17 competencies.

18 **Sec. 9.** RCW 74.20.040 and 2007 c 143 s 5 are each amended to read
19 as follows:

20 (1) Whenever the department receives an application for public
21 assistance on behalf of a child, or the department receives an
22 application for subsidized child care services or working connections
23 child care services, the department or the department of early learning
24 shall take appropriate action under the provisions of this chapter,
25 chapter 74.20A RCW, or other appropriate statutes of this state to
26 establish or enforce support obligations against the parent or other
27 persons owing a duty to pay support moneys.

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

1 (3) The secretary may accept requests for support enforcement
2 services from child support enforcement agencies in other states
3 operating child support programs under Title IV-D of the social
4 security act or from foreign countries, and may take appropriate action
5 to establish and enforce support obligations, or to enforce subpoenas,
6 information requests, orders for genetic testing, and collection
7 actions issued by the other agency against the parent or other person
8 owing a duty to pay support moneys, the parent or other person's
9 employer, or any other person or entity properly subject to child
10 support collection or information-gathering processes. The request
11 shall contain and be accompanied by such information and documentation
12 as the secretary may by rule require, and be signed by an authorized
13 representative of the agency. The secretary may adopt rules setting
14 forth the duration and nature of services provided under this
15 subsection.

16 (4) The department may take action to establish, enforce, and
17 collect a support obligation, including performing related services,
18 under this chapter and chapter 74.20A RCW, or through the attorney
19 general or prosecuting attorney for action under chapter 26.09, 26.18,
20 26.20, 26.21A, or 26.26 RCW or other appropriate statutes or the common
21 law of this state.

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

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

36 (7) Fees, due and owing, may be retained from support payments
37 directly or collected as delinquent support moneys utilizing any of the
38 remedies in chapter 74.20 RCW, chapter 74.20A RCW, chapter 26.21A RCW,

1 or any other remedy at law or equity available to the department or any
2 agencies with whom it has a cooperative or contractual arrangement to
3 establish, enforce, or collect support moneys or support obligations.

4 (8) The secretary may waive the fee, or any portion thereof, as a
5 part of a compromise of disputed claims or may grant partial or total
6 charge off of said fee if the secretary finds there are no available,
7 practical, or lawful means by which said fee may be collected or to
8 facilitate payment of the amount of delinquent support moneys or fees
9 owed.

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

19 **Sec. 10.** RCW 74.20.330 and 2007 c 143 s 6 are each amended to read
20 as follows:

21 (1) Whenever public assistance is paid under a state program funded
22 under Title IV-A of the federal social security act as amended by the
23 personal responsibility and work opportunity reconciliation act of
24 1996, and the federal deficit reduction act of 2005, each applicant or
25 recipient is deemed to have made assignment to the department of any
26 rights to a support obligation from any other person the applicant or
27 recipient may have in his or her own behalf or in behalf of any other
28 family member for whom the applicant or recipient is applying for or
29 receiving public assistance, including any unpaid support obligation or
30 support debt which has accrued at the time the assignment is made.

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

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

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

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

6 (4) Effective October 1, 2008, whenever public assistance is paid
7 under a state program funded under Title IV-A of the federal social
8 security act as amended by the personal responsibility and work
9 opportunity reconciliation act of 1996, and the federal deficit
10 reduction act of 2005, a member of the family is deemed to have made an
11 assignment to the state any right the family member may have, or on
12 behalf of the family member receiving such assistance, to support from
13 any other person, not exceeding the total amount of assistance paid to
14 the family, which accrues during the period that the family receives
15 assistance under the program.

16 **Sec. 11.** RCW 43.215.135 and 2010 c 273 s 2 are each amended to
17 read as follows:

18 (1) The department shall establish and implement policies in the
19 working connections child care program to promote stability and quality
20 of care for children from low-income households. Policies for the
21 expenditure of funds constituting the working connections child care
22 program must be consistent with the outcome measures defined in RCW
23 74.08A.410 and the standards established in this section intended to
24 promote continuity of care for children.

25 (2) As a condition of receiving a child care subsidy or a working
26 connections child care subsidy, the applicant or recipient must seek
27 child support enforcement services from the department of social and
28 health services, division of child support, unless the department finds
29 that the applicant or recipient has good cause not to cooperate.

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

36 (4) Beginning in fiscal year 2011, for families with children
37 enrolled in an early childhood education and assistance program, a head

1 start program, or an early head start program, authorizations for the
2 working connections child care subsidy shall be effective for twelve
3 months unless a change in circumstances necessitates reauthorization
4 sooner than twelve months.

5 ~~((3))~~ (5) The department, in consultation with the department of
6 social and health services, shall report to the legislature by
7 September 1, 2011, with:

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

11 (b) Recommendations for expanding the application of the twelve-
12 month authorization period to additional populations of children in
13 care.

14 NEW SECTION. **Sec. 12.** A new section is added to chapter 43.215
15 RCW to read as follows:

16 The department and the department of social and health services, in
17 consultation with interested individuals and organizations, shall
18 jointly:

19 (1) Identify different options to track subsidized child care
20 attendance, including methods using a land line or cellular telephone,
21 a computer, a point of sale system, or some combination of these
22 methods and report their recommended method to the legislature no later
23 than December 31, 2011. Each department's recommendations must include
24 implementation issues to be addressed and a proposed implementation
25 timeline, and should assume a January 2013 implementation date for the
26 attendance tracking system. The legislature shall review the
27 recommendations and authorize implementation. The method that is
28 chosen must interface smoothly with the current and future payment
29 systems for subsidized child care payments.

30 (2) Conduct an assessment of the current subsidized child care
31 eligibility determination system and develop recommendations to improve
32 the accuracy, efficiency, and responsiveness of the system, including
33 consideration of the most appropriate entity or entities to make
34 eligibility determinations. The results of the assessment shall be
35 reported to the legislature no later than December 31, 2011.

1 NEW SECTION. **Sec. 13.** The department of social and health
2 services, in consultation with its electronic benefits card contractor
3 and interested persons and organizations, shall develop strategies to
4 increase opportunities for public assistance recipients to maintain
5 bank accounts, with a goal of increasing recipient financial literacy
6 and financial management skills and minimizing recipient costs
7 association with automatic teller machine transaction fees. A report
8 and recommendations shall be submitted to the relevant policy and
9 fiscal committees of the legislature by December 1, 2011.

10 **Sec. 14.** RCW 74.08.580 and 2002 c 252 s 1 are each amended to read
11 as follows:

12 (1) Any person receiving public assistance is prohibited from using
13 electronic benefit cards or cash obtained with electronic benefit
14 cards:

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

17 (b) For the purpose of parimutuel wagering authorized under chapter
18 67.16 RCW; (~~or~~)

19 (c) To purchase lottery tickets or shares authorized under chapter
20 67.70 RCW;

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

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

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

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

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

34 (a) Taverns licensed under RCW 66.24.330;

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

36 (c) Nightclubs licensed under RCW 66.24.600;

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

- 1 (e) Bail bond agencies regulated under chapter 18.185 RCW;
2 (f) Gambling establishments licensed under chapter 9.46 RCW;
3 (g) Tattoo, body piercing, or body art shops regulated under
4 chapter 18.300 RCW;
5 (h) Adult entertainment venues with performances that contain
6 erotic material where minors under the age of eighteen are prohibited
7 under RCW 9.68A.150; and
8 (i) Any establishments where persons under the age of eighteen are
9 not permitted.

10 (3) The department must notify the licensing authority of any
11 business listed in subsection (2) of this section that such business
12 has continued to allow the use of the electronic benefit card in
13 violation of subsection (2) of this section.

14 (4) Only the recipient, an eligible member of the household, or the
15 recipient's authorized representative may use an electronic benefit
16 card or the benefit and such use shall only be for the respective
17 benefit program purposes. The recipient shall not sell, or attempt to
18 sell, exchange, or donate an electronic benefit card or any benefits to
19 any other person or entity.

20 (5) The first violation of subsection (1) or (4) of this section by
21 a recipient constitutes a class 4 civil infraction under RCW 7.80.120.
22 Second and subsequent violations of subsection (1) or (4) of this
23 section constitute a class 3 civil infraction under RCW 7.80.120.

24 (a) The department shall notify, in writing, all recipients of
25 electronic benefit cards that any violation of subsection (1) or (4) of
26 this section could result in legal proceedings and forfeiture of all
27 cash public assistance.

28 (b) Whenever the department receives notice that a person has
29 violated subsection (1) or (4) of this section, the department shall
30 notify the person in writing that the violation could result in legal
31 proceedings and forfeiture of all cash public assistance.

32 (c) The department shall assign a protective payee to the person
33 receiving public assistance who violates subsection (1) or (4) of this
34 section two or more times.

35 NEW SECTION. Sec. 15. A new section is added to chapter 66.24 RCW
36 to read as follows:

37 The board shall immediately suspend the license of a business that

1 has been issued a license under RCW 66.24.330, 66.24.371, or 66.24.600
2 if the board receives information that the business has not complied
3 with RCW 74.08.580(2). If the licensee has remained otherwise eligible
4 to be licensed, the board may reinstate the suspended license when the
5 business has complied with RCW 74.08.580(2).

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

8 (1) The state liquor control board shall accept bank credit card
9 and debit cards for purchases in state liquor stores, under such rules
10 as the board may adopt. The board shall authorize contract liquor
11 stores appointed under RCW 66.08.050 to accept bank credit cards and
12 debit cards for liquor purchases under this title, under such rules as
13 the board may adopt.

14 (2) If a contract liquor store chooses to use credit or debit cards
15 for liquor purchases, the board shall provide equipment and
16 installation and maintenance of the equipment necessary to implement
17 the use of credit and debit cards. Any equipment provided by the board
18 to a contract liquor store for this purpose may be used only for the
19 purchase of liquor.

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

24 (4) It is the contract liquor store's responsibility to comply with
25 the requirements of RCW 74.08.580(2) pertaining to the use of
26 electronic benefit transfer cards in ATM machines located on the
27 contract liquor store premises. The board shall immediately suspend
28 the contract it has with the contract liquor store if it receives
29 information that the store has not complied with RCW 74.08.580(2). The
30 board may reinstate the suspended contract when the contract liquor
31 store has complied with RCW 74.08.580(2).

32 NEW SECTION. **Sec. 17.** A new section is added to chapter 18.300
33 RCW to read as follows:

34 The department of licensing shall immediately suspend any license
35 under this chapter if the department receives information that the
36 license holder has not complied with RCW 74.08.580(2). If the license

1 holder has remained otherwise eligible to be licensed, the department
2 may reinstate the suspended license when the holder has complied with
3 RCW 74.08.580(2).

4 NEW SECTION. **Sec. 18.** A new section is added to chapter 18.185
5 RCW to read as follows:

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

12 **Sec. 19.** RCW 9.46.410 and 2002 c 252 s 2 are each amended to read
13 as follows:

14 (1) Any licensee authorized under this chapter is prohibited from
15 allowing the use of public assistance electronic benefit cards for the
16 purpose of participating in any of the activities authorized under this
17 chapter.

18 (2) Any licensee authorized under this chapter shall report to the
19 department of social and health services any known violations of RCW
20 74.08.580.

21 (3) Any licensee authorized under this chapter is required to
22 comply with RCW 74.08.580(2). If the licensee fails to comply with RCW
23 74.08.580(2), its license shall be immediately suspended until it
24 complies with RCW 74.08.580(2). If the licensee remains otherwise
25 eligible to be licensed, the commission may reinstate the license once
26 the licensee has complied with RCW 74.08.580(2).

27 NEW SECTION. **Sec. 20.** The legislature finds that eliminating
28 waste, fraud, and abuse of public assistance benefits should be a top
29 priority of the department of social and health services, and this can
30 best be reflected in a newly organized, accountable, and proactive
31 fraud unit directly under the secretary's authority with the resources
32 necessary to combat fraud and to ensure the confidence of the public in
33 the critical social safety net programs it funds.

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

3 The definitions in this section apply throughout this chapter
4 unless the context clearly requires otherwise.

5 (1) "Abuse" means any intentional use of public assistance benefits
6 that constitutes a violation of any state statute or regulation
7 relating to the use of public assistance benefits. This definition
8 excludes medicaid and other medical programs as defined in chapter
9 74.09 RCW, and fraud and abuse committed by medical providers and
10 recipients of medicaid and other medical program services.

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

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

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

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

26 **Sec. 22.** RCW 74.04.012 and 2008 c 74 s 3 are each amended to read
27 as follows:

28 (1) There is established ((a—unit)) an office of fraud and
29 accountability within the department for the purpose of detection,
30 investigation, and prosecution of any act prohibited or declared to be
31 unlawful in the public assistance programs administered by the
32 department. The secretary will employ qualified supervisory, legal,
33 and investigative personnel for the program. Program staff must be
34 qualified by training and experience.

35 (2) The director of the office of fraud and accountability is the
36 head of the office and is selected by the secretary and must

1 demonstrate suitable capacity and experience in law enforcement
2 management, public administration, and criminal investigations. The
3 director of the office of fraud and accountability shall:

4 (a) Report directly to the secretary; and

5 (b) Ensure that each citizen complaint, employee complaint, law
6 enforcement complaint, and agency referral is assessed and, when risk
7 of fraud or abuse is present, is fully investigated, and is referred
8 for prosecution or recovery when there is substantial evidence of
9 wrongdoing.

10 (3) The office shall:

11 (a) Conduct independent and objective investigations into
12 allegations of fraud and abuse, make appropriate referral to law
13 enforcement when there is substantial evidence of criminal activity,
14 and recover overpayment whenever possible and to the greatest possible
15 degree;

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

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

23 (d) Use best practices to determine appropriate utilization and
24 deployment of investigative resources, ensure that resources are
25 deployed in a balanced and effective manner, and use all available
26 methods to gather evidence necessary for proper investigation and
27 successful prosecution.

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

34 **Sec. 23.** RCW 43.20A.605 and 2009 c 549 s 5078 are each amended to
35 read as follows:

36 (1) The secretary or a designee shall have full authority to
37 administer oaths and take testimony thereunder, to issue subpoenas

1 requiring the attendance of witnesses before him or her together with
2 all books, memoranda, papers, and other documents, articles or
3 instruments, and to compel the disclosure by such witnesses of all
4 facts known to them relative to the matters under investigation.

5 (2) Subpoenas issued in adjudicative proceedings are governed by
6 RCW 34.05.588(1).

7 (3) Subpoenas issued in the conduct of investigations required or
8 authorized by other statutory provisions or necessary in the
9 enforcement of other statutory provisions shall be governed by RCW
10 34.05.588(2).

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

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

19 (b) Adequately specify the documents, records, evidence, or
20 testimony; and

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

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

32 (6) The secretary or designee may seek approval and a court may
33 issue an order under this section without prior notice to any person,
34 including the person to whom the subpoena is directed and the person
35 who is the subject of an investigation. An application for court
36 approval is subject to the fee and process set forth in RCW
37 36.18.012(3).

1 NEW SECTION. **Sec. 24.** A new section is added to chapter 74.04 RCW
2 to read as follows:

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

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

19 **Sec. 25.** RCW 49.60.210 and 1992 c 118 s 4 are each amended to read
20 as follows:

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

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

29 (3) It is an unfair practice for any employer, employment agency,
30 labor union, government agency, government manager, or government
31 supervisor to discharge, expel, discriminate, or otherwise retaliate
32 against an individual assisting with an office of fraud and
33 accountability investigation under RCW 74.04.012, unless the individual
34 has willfully disregarded the truth in providing information to the
35 office.

1 NEW SECTION. **Sec. 26.** A new section is added to chapter 43.09 RCW
2 to read as follows:

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

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

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

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

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

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

36 (d) The response from the office of fraud and accountability to any
37 of the report findings, recommendations, or information provided in the
38 report;

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

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

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

11 NEW SECTION. **Sec. 27.** A new section is added to chapter 43.20A
12 RCW to read as follows:

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

26 NEW SECTION. **Sec. 28.** Except for section 6 of this act, this act
27 is necessary for the immediate preservation of the public peace,
28 health, or safety, or support of the state government and its existing
29 public institutions, and takes effect July 1, 2011.

30 NEW SECTION. **Sec. 29.** Section 6 of this act takes effect
31 September 1, 2011."

32 Correct the title.

--- END ---