

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5921

Chapter 42, Laws of 2011
(partial veto)
62nd Legislature
2011 1st Special Session

WORKFIRST PROGRAM--TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

EFFECTIVE DATE: 07/01/11 - Except section 6, which becomes effective 09/01/11.

Passed by the Senate May 16, 2011
YEAS 44 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House May 13, 2011
YEAS 78 NAYS 10

FRANK CHOPP

Speaker of the House of Representatives

Approved June 15, 2011, 3:19 p.m., with the exception of Sections 3 and 26 which are vetoed.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5921** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

June 15, 2011

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5921

AS AMENDED BY THE HOUSE

Passed Legislature - 2011 1st Special Session

State of Washington 62nd Legislature 2011 1st Special Session

By Senate Ways & Means (originally sponsored by Senators Regala and Carrell)

READ FIRST TIME 04/18/11.

1 AN ACT Relating to social services; amending RCW 74.08A.260,
2 74.08A.290, 74.08A.010, 74.08.025, 74.08A.250, 74.20.040, 74.20.330,
3 43.215.135, 74.08.580, 66.16.041, 9.46.410, 74.04.012, 43.20A.605, and
4 49.60.210; adding a new section to chapter 74.12 RCW; adding a new
5 section to chapter 74.08A RCW; adding a new section to chapter 43.215
6 RCW; adding a new section to chapter 66.24 RCW; adding a new section to
7 chapter 18.300 RCW; adding a new section to chapter 18.185 RCW; adding
8 new sections to chapter 74.04 RCW; adding a new section to chapter
9 43.09 RCW; adding a new section to chapter 43.20A RCW; creating new
10 sections; prescribing penalties; providing effective dates; and
11 declaring an emergency.

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

13 NEW SECTION. **Sec. 1.** The legislature finds that stable and
14 sustainable employment is the key goal of the WorkFirst and temporary
15 assistance for needy families programs. Achieving stable and
16 sustainable employment is a developmental process that takes time,
17 effort, and engagement. In times of fiscal challenge, temporary
18 assistance for needy families and WorkFirst resources must be invested

1 in program elements that produce the best results for low-income
2 families and the state of Washington.

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

16 The legislature further finds that parents are responsible for the
17 support of their children and that they have up to sixty months of
18 receipt of temporary assistance for needy families benefits, absent any
19 applicable hardship extension, to achieve stable and sustainable
20 employment or find other means to support their family. It is the
21 intent of the legislature to apply a sixty-month time limit to the
22 temporary assistance for needy families program, including households
23 in which a parent is in the home and ineligible for temporary
24 assistance for needy families. The legislature intends that hardship
25 extensions be applied to families subject to time limits.

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

28 (1) Each recipient shall be assessed after determination of program
29 eligibility and before referral to job search. Assessments shall be
30 based upon factors that are critical to obtaining employment, including
31 but not limited to education, availability of child care, history of
32 family violence, history of substance abuse, and other factors that
33 affect the ability to obtain employment. Assessments may be performed
34 by the department or by a contracted entity. The assessment shall be
35 based on a uniform, consistent, transferable format that will be
36 accepted by all agencies and organizations serving the recipient.

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

12 ((+2)) (3) Recipients who are not engaged in work and work
13 activities, and do not qualify for a good cause exemption under RCW
14 74.08A.270, shall engage in self-directed service as provided in RCW
15 74.08A.330.

16 ((+3)) (4) If a recipient refuses to engage in work and work
17 activities required by the department, the family's grant shall be
18 reduced by the recipient's share, and may, if the department determines
19 it appropriate, be terminated.

20 ((+4)) (5) The department may waive the penalties required under
21 subsection ((+3)) (4) of this section, subject to a finding that the
22 recipient refused to engage in work for good cause provided in RCW
23 74.08A.270.

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

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

32 (7) Assessments conducted under this section shall include a
33 consideration of the potential benefit to the recipient of engaging in
34 financial literacy activities. The department shall consider the
35 options for financial literacy activities available in the community,
36 including information and resources available through the financial
37 ((+literacy)) education public-private partnership created under RCW

1 28A.300.450. The department may authorize up to ten hours of financial
2 literacy activities as a core activity or an optional activity under
3 WorkFirst.

4 (8)(a) From July 1, 2011, through June 30, 2012, subsections (2)
5 through (6) of this section are suspended for a recipient who is a
6 parent or other relative personally providing care for one child under
7 the age of two years, or two or more children under the age of six
8 years. This suspension applies to both one and two parent families.
9 However, both parents in a two-parent family cannot use the suspension
10 during the same month. Beginning July 1, 2012, the department shall
11 phase in the work activity requirements that were suspended, beginning
12 with those recipients closest to reaching the sixty-month limit of
13 receiving temporary assistance for needy families under RCW
14 74.08A.010(1). The phase in shall be accomplished so that a fairly
15 equal number of recipients required to participate in work activities
16 are returned to those activities each month until the total number
17 required to participate is participating by June 30, 2013. Nothing in
18 this subsection shall prevent a recipient from participating in the
19 WorkFirst program on a voluntary basis. Recipients who participate in
20 the WorkFirst program on a voluntary basis shall be provided an option
21 to participate in the program on a part-time basis, consisting of
22 sixteen or fewer hours of activities per week. Recipients also may
23 participate voluntarily on a full-time basis.

24 (b)(i) The period of suspension of work activities under this
25 subsection provides an opportunity for the legislative and executive
26 branches to oversee redesign of the WorkFirst program. To realize this
27 opportunity, both during the period of suspension and following
28 reinstatement of work activity requirements as redesign is being
29 implemented, a legislative-executive WorkFirst oversight task force is
30 established, with members as provided in this subsection (8)(b).

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

33 (iii) The speaker of the house of representatives shall appoint two
34 members from each of the two largest caucuses of the house of
35 representatives.

36 (iv) The governor shall appoint members representing the department
37 of social and health services, the department of early learning, the

1 department of commerce, the employment security department, the office
2 of financial management, and the state board for community and
3 technical colleges.

4 (v) The task force shall choose cochairs, one from among the
5 legislative members and one from among the executive branch members.
6 The legislative members shall convene the initial meeting of the task
7 force.

8 (c) The task force shall:

9 (i) Oversee the partner agencies' implementation of the redesign of
10 the WorkFirst program and operation of the temporary assistance for
11 needy families program to ensure that the programs are achieving
12 desired outcomes for their clients;

13 (ii) Determine evidence-based outcome measures for the WorkFirst
14 program, including measures related to equitably serving the needs of
15 historically underrepresented populations, such as English language
16 learners, immigrants, refugees, and other diverse communities;

17 (iii) Develop accountability measures for WorkFirst recipients and
18 the state agencies responsible for their progress toward self-
19 sufficiency;

20 (iv) Make recommendations to the governor and the legislature
21 regarding:

22 (A) Policies to improve the effectiveness of the WorkFirst program
23 over time;

24 (B) Early identification of those recipients most likely to
25 experience long stays on the program and strategies to improve their
26 ability to achieve progress toward self-sufficiency; and

27 (C) Necessary changes to the program, including taking into account
28 federal changes to the temporary assistance for needy families program.

29 (d) The partner agencies must provide the task force with regular
30 reports on:

31 (i) The partner agencies' progress toward meeting the outcome and
32 performance measures established under (c) of this subsection;

33 (ii) Caseload trends and program expenditures, and the impact of
34 those trends and expenditures on client services, including services to
35 historically underrepresented populations; and

36 (iii) The characteristics of families who have been unsuccessful on
37 the program and have lost their benefits either through sanction or the
38 sixty-month time limit.

1 (e) Staff support for the task force must be provided by senate
2 committee services, the house of representatives office of program
3 research, and the state agency members of the task force.

4 (f) The task force shall meet on a quarterly basis beginning
5 September 2011, or as determined necessary by the task force cochairs.

6 (g) During its tenure, the state agency members of the task force
7 shall respond in a timely manner to data requests from the cochairs.

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

10 (1) ~~((It is the intent of the legislature that))~~ On or before July
11 1, 2012, the department ~~((is authorized to))~~ shall engage in
12 competitive contracting using performance-based contracts to provide
13 all WorkFirst work activities ~~((authorized in chapter 58, Laws of 1997,~~
14 ~~including the job search component authorized in section 312 of this~~
15 ~~act))~~.

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

28 (3) The department ~~((may))~~ shall contract for an evaluation of the
29 competitive contracting practices and outcomes to be performed by ~~((an~~
30 ~~independent entity with expertise in government privatization and~~
31 ~~competitive strategies))~~ the Washington state institute for public
32 policy. The evaluation shall include ((quarterly)) annual progress
33 reports to the appropriate policy and fiscal committees of the
34 legislature and to the governor, starting ((at the first quarter after
35 the effective date of the first competitive contract and ending two
36 years after the effective date of the first competitive contract)) June
37 30, 2012.

1 (4) The department shall work with the legislative-executive
2 WorkFirst oversight task force established under RCW 74.08A.260 to
3 develop appropriate outcomes by which the contractor's performance will
4 be measured. The outcomes shall be developed no later than November
5 30, 2011.

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

*Sec. 3 was vetoed. See message at end of chapter.

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

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

25 NEW SECTION. Sec. 5. A new section is added to chapter 74.08A RCW
26 to read as follows:

27 In determining the income eligibility of an applicant or recipient
28 for temporary assistance for needy families or WorkFirst, the
29 department shall not count the federal supplemental security income
30 received by a household member.

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

33 (1) A family that includes an adult who has received temporary
34 assistance for needy families for sixty months after July 27, 1997,

1 shall be ineligible for further temporary assistance for needy families
2 assistance.

3 (2) For the purposes of applying the rules of this section, the
4 department shall count any month in which an adult family member
5 received a temporary assistance for needy families cash assistance
6 grant unless the assistance was provided when the adult family member
7 was a minor child and not the head of the household or married to the
8 head of the household.

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

13 (4) The department shall refer recipients who require specialized
14 assistance to appropriate department programs, crime victims' programs
15 through the department of ~~((community, — trade, — and — economic~~
16 ~~development))~~ commerce, or the crime victims' compensation program of
17 the department of labor and industries.

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

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

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

37 ~~((+6))~~ (7) Beginning on October 31, 2005, the department shall
38 provide transitional food stamp assistance for a period of five months

1 to a household that ceases to receive temporary assistance for needy
2 families assistance and is not in sanction status. If necessary, the
3 department shall extend the household's food stamp certification until
4 the end of the transition period.

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

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

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

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

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

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

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

6 (4) The department may implement a permanent disqualification for
7 adults who have been terminated due to WorkFirst noncompliance sanction
8 three or more times since March 1, 2007. A household that includes an
9 adult who has been permanently disqualified from receiving temporary
10 assistance for needy families shall be ineligible for further temporary
11 assistance for needy families assistance.

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

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

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

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

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

24 (3) Work experience, including:

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

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

32 (4) On-the-job training;

33 (5) Job search and job readiness assistance;

34 (6) Community service programs, including a recipient's voluntary
35 service at a child care or preschool facility licensed under chapter
36 43.215 RCW or an elementary school in which his or her child is
37 enrolled;

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

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

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

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

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

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

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

18 (14) Services required by the recipient under RCW 74.08.025(3) and
19 74.08A.010(~~(+3)~~) (4) to become employable; (~~and~~)

20 (15) Financial literacy activities designed to be effective in
21 assisting a recipient in becoming self-sufficient and financially
22 stable; and

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

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

28 (1) Whenever the department receives an application for public
29 assistance on behalf of a child, or the department receives an
30 application for subsidized child care services or working connections
31 child care services, the department or the department of early learning
32 shall take appropriate action under the provisions of this chapter,
33 chapter 74.20A RCW, or other appropriate statutes of this state to
34 establish or enforce support obligations against the parent or other
35 persons owing a duty to pay support moneys.

36 (2) The secretary may accept a request for support enforcement
37 services on behalf of persons who are not recipients of public

1 assistance and may take appropriate action to establish or enforce
2 support obligations against the parent or other persons owing a duty to
3 pay moneys. Requests accepted under this subsection may be conditioned
4 upon the payment of a fee as required by subsection (6) of this section
5 or through regulation issued by the secretary. The secretary may
6 establish by regulation, reasonable standards and qualifications for
7 support enforcement services under this subsection.

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

23 (4) The department may take action to establish, enforce, and
24 collect a support obligation, including performing related services,
25 under this chapter and chapter 74.20A RCW, or through the attorney
26 general or prosecuting attorney for action under chapter 26.09, 26.18,
27 26.20, 26.21A, or 26.26 RCW or other appropriate statutes or the common
28 law of this state.

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

35 (6) The secretary, in the case of an individual who has never
36 received assistance under a state program funded under part A and for
37 whom the state has collected at least five hundred dollars of support,
38 shall impose an annual fee of twenty-five dollars for each case in

1 which services are furnished, which shall be retained by the state from
2 support collected on behalf of the individual, but not from the first
3 five hundred dollars of support. The secretary may, on showing of
4 necessity, waive or defer any such fee or cost.

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

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

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

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

28 (1) Whenever public assistance is paid under a state program funded
29 under Title IV-A of the federal social security act as amended by the
30 personal responsibility and work opportunity reconciliation act of
31 1996, and the federal deficit reduction act of 2005, each applicant or
32 recipient is deemed to have made assignment to the department of any
33 rights to a support obligation from any other person the applicant or
34 recipient may have in his or her own behalf or in behalf of any other
35 family member for whom the applicant or recipient is applying for or
36 receiving public assistance, including any unpaid support obligation or
37 support debt which has accrued at the time the assignment is made.

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

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

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

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

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

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

25 (1) The department shall establish and implement policies in the
26 working connections child care program to promote stability and quality
27 of care for children from low-income households. Policies for the
28 expenditure of funds constituting the working connections child care
29 program must be consistent with the outcome measures defined in RCW
30 74.08A.410 and the standards established in this section intended to
31 promote continuity of care for children.

32 (2) As a condition of receiving a child care subsidy or a working
33 connections child care subsidy, the applicant or recipient must seek
34 child support enforcement services from the department of social and
35 health services, division of child support, unless the department finds
36 that the applicant or recipient has good cause not to cooperate.

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

7 (4) Beginning in fiscal year 2011, for families with children
8 enrolled in an early childhood education and assistance program, a head
9 start program, or an early head start program, authorizations for the
10 working connections child care subsidy shall be effective for twelve
11 months unless a change in circumstances necessitates reauthorization
12 sooner than twelve months.

13 ~~((3))~~ (5) The department, in consultation with the department of
14 social and health services, shall report to the legislature by
15 September 1, 2011, with:

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

19 (b) Recommendations for expanding the application of the twelve-
20 month authorization period to additional populations of children in
21 care.

22 NEW SECTION. Sec. 12. A new section is added to chapter 43.215
23 RCW to read as follows:

24 The department and the department of social and health services, in
25 consultation with interested individuals and organizations, shall
26 jointly:

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

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

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

16 (2) The department of social and health services shall, in
17 contracting with electronic benefit card providers, require that any
18 surcharge or transaction fee charged by the provider be disclosed to
19 electronic benefit card clients at the point in which the surcharge or
20 transaction fee occurs.

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

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

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

28 (b) For the purpose of parimutuel wagering authorized under chapter
29 67.16 RCW; (~~(e)~~)

30 (c) To purchase lottery tickets or shares authorized under chapter
31 67.70 RCW;

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

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

1 (f) To purchase any items regulated under Title 66 RCW; or
2 (g) For the purpose of purchasing or participating in any
3 activities in any location listed in subsection (2) of this section.

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

- 9 (a) Taverns licensed under RCW 66.24.330;
10 (b) Beer/wine specialty stores licensed under RCW 66.24.371;
11 (c) Nightclubs licensed under RCW 66.24.600;
12 (d) Contract liquor stores defined under RCW 66.04.010;
13 (e) Bail bond agencies regulated under chapter 18.185 RCW;
14 (f) Gambling establishments licensed under chapter 9.46 RCW;
15 (g) Tattoo, body piercing, or body art shops regulated under
16 chapter 18.300 RCW;
17 (h) Adult entertainment venues with performances that contain
18 erotic material where minors under the age of eighteen are prohibited
19 under RCW 9.68A.150; and
20 (i) Any establishments where persons under the age of eighteen are
21 not permitted.

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

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

32 (5) The first violation of subsection (1) or (4) of this section by
33 a recipient constitutes a class 4 civil infraction under RCW 7.80.120.
34 Second and subsequent violations of subsection (1) or (4) of this
35 section constitute a class 3 civil infraction under RCW 7.80.120.

36 (a) The department shall notify, in writing, all recipients of
37 electronic benefit cards that any violation of subsection (1) or (4) of

1 this section could result in legal proceedings and forfeiture of all
2 cash public assistance.

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

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

10 NEW SECTION. **Sec. 15.** A new section is added to chapter 66.24 RCW
11 to read as follows:

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

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

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

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

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

1 74.08.580(2), its license shall be immediately suspended until it
2 complies with RCW 74.08.580(2). If the licensee remains otherwise
3 eligible to be licensed, the commission may reinstate the license once
4 the licensee has complied with RCW 74.08.580(2).

5 NEW SECTION. Sec. 20. The legislature finds that eliminating
6 waste, fraud, and abuse of public assistance benefits should be a
7 priority of the department of social and health services, and this can
8 best be reflected in a newly organized, accountable, and proactive
9 fraud unit directly under the secretary's authority with the resources
10 necessary to combat fraud and to ensure the confidence of the public in
11 the critical social safety net programs it funds.

12 NEW SECTION. Sec. 21. A new section is added to chapter 74.04 RCW
13 to read as follows:

14 The definitions in this section apply throughout this chapter
15 unless the context clearly requires otherwise.

16 (1) "Abuse" means any intentional use of public assistance benefits
17 that constitutes a violation of any state statute or regulation
18 relating to the use of public assistance benefits. This definition
19 excludes medicaid and other medical programs as defined in chapter
20 74.09 RCW, and fraud and abuse committed by medical providers and
21 recipients of medicaid and other medical program services.

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

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

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

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

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

3 (1) There is established ((a-unit)) an office of fraud and
4 accountability within the department for the purpose of detection,
5 investigation, and prosecution of any act prohibited or declared to be
6 unlawful in the public assistance programs administered by the
7 department. The secretary will employ qualified supervisory, legal,
8 and investigative personnel for the program. Program staff must be
9 qualified by training and experience.

10 (2) The director of the office of fraud and accountability is the
11 head of the office and is selected by the secretary and must
12 demonstrate suitable capacity and experience in law enforcement
13 management, public administration, and criminal investigations. The
14 director of the office of fraud and accountability shall:

15 (a) Report directly to the secretary; and

16 (b) Ensure that each citizen complaint, employee complaint, law
17 enforcement complaint, and agency referral is assessed and, when risk
18 of fraud or abuse is present, is fully investigated, and is referred
19 for prosecution or recovery when there is substantial evidence of
20 wrongdoing.

21 (3) The office shall:

22 (a) Conduct independent and objective investigations into
23 allegations of fraud and abuse, make appropriate referral to law
24 enforcement when there is substantial evidence of criminal activity,
25 and recover overpayment whenever possible and to the greatest possible
26 degree;

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

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

34 (d) Use best practices to determine appropriate utilization and
35 deployment of investigative resources, ensure that resources are
36 deployed in a balanced and effective manner, and use all available
37 methods to gather evidence necessary for proper investigation and
38 successful prosecution.

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

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

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

15 (2) Subpoenas issued in adjudicative proceedings are governed by
16 RCW 34.05.588(1).

17 (3) Subpoenas issued in the conduct of investigations required or
18 authorized by other statutory provisions or necessary in the
19 enforcement of other statutory provisions shall be governed by RCW
20 34.05.588(2).

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

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

29 (b) Adequately specify the documents, records, evidence, or
30 testimony; and

31 (c) Include a declaration made under oath that an investigation is
32 being conducted for a lawfully authorized purpose related to an
33 investigation within the department's authority and that the subpoenaed
34 documents, records, evidence, or testimony are reasonably related to an
35 investigation within the department's authority.

36 (5) When an application under subsection (4) of this section is
37 made to the satisfaction of the court, the court must issue an order

1 approving the subpoena. When a judicially approved subpoena is
2 required by law, an order under this subsection constitutes authority
3 of law for the agency to subpoena the documents, records, evidence, or
4 testimony.

5 (6) The secretary or designee may seek approval and a court may
6 issue an order under this section without prior notice to any person,
7 including the person to whom the subpoena is directed and the person
8 who is the subject of an investigation. An application for court
9 approval is subject to the fee and process set forth in RCW
10 36.18.012(3).

11 NEW SECTION. Sec. 24. A new section is added to chapter 74.04 RCW
12 to read as follows:

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

22 (2) Information gathered by the department, the office, or the
23 fraud ombudsman shall be safeguarded and remain confidential as
24 required by applicable state or federal law. Whenever information or
25 assistance requested under subsection (1) of this section is, in the
26 judgment of the director, unreasonably refused or not provided, the
27 director of the office of fraud and accountability must report the
28 circumstances to the secretary immediately.

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

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

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

4 (3) It is an unfair practice for any employer, employment agency,
5 labor union, government agency, government manager, or government
6 supervisor to discharge, expel, discriminate, or otherwise retaliate
7 against an individual assisting with an office of fraud and
8 accountability investigation under RCW 74.04.012, unless the individual
9 has willfully disregarded the truth in providing information to the
10 office.

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

13 (1) *The auditor shall appoint a fraud ombudsman to audit the work*
14 *of the office of fraud and accountability within the department of*
15 *social and health services. The ombudsman shall review the fraud*
16 *investigative work done by the office including cases filed with local*
17 *prosecuting authorities. The ombudsman also shall have authority to*
18 *investigate citizen complaints made to the auditor's office regarding*
19 *fraud and abuse investigations conducted by, or declined to be*
20 *conducted by, the office of fraud and accountability. The department*
21 *of social and health services shall provide the ombudsman with access*
22 *to any relevant records it has in its possession related to a fraud or*
23 *abuse investigation as determined by the fraud ombudsman, including*
24 *access to electronic benefit transfer card transaction data.*

25 (2) *The fraud ombudsman shall have access to persons within the*
26 *office of fraud and accountability for purposes of interviews and*
27 *evaluation.*

28 (3) *The fraud ombudsman must submit a report summarizing its*
29 *auditing activities of the office of fraud and accountability to the*
30 *appropriate committees of the legislature by November 30, 2012, and*
31 *biennially thereafter. The office of fraud and accountability shall*
32 *assist the ombudsman to the fullest extent practicable in producing*
33 *this report. The report shall contain only information consistent with*
34 *the requirements of chapter 42.56 RCW and any other applicable state or*
35 *federal laws, including:*

36 (a) *A description of significant fraud or abuse, and of*

1 *vulnerabilities or deficiencies relating to the prevention and*
2 *detection of fraud or abuse in public assistance programs, discovered*
3 *as a result of investigations completed during the reporting period;*

4 *(b) Recommendations for improving the activities of the office of*
5 *fraud and accountability with respect to the vulnerabilities or*
6 *deficiencies identified under (a) of this subsection;*

7 *(c) An identification of each significant recommendation described*
8 *in the previous reports on which corrective action has, or has not,*
9 *been completed;*

10 *(d) The response from the office of fraud and accountability to any*
11 *of the report findings, recommendations, or information provided in the*
12 *report;*

13 *(e) A summary of matters referred to prosecuting authorities during*
14 *the reporting period and the charges filed and convictions entered*
15 *during the reporting period that have resulted from referrals by the*
16 *office of fraud and accountability; and*

17 *(f) A description of the ease of access allowed by the office of*
18 *fraud and accountability to all necessary data and personnel for*
19 *purposes of conducting the audit.*

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

**Sec. 26 was vetoed. See message at end of chapter.*

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

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

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

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

 Passed by the Senate May 16, 2011.

 Passed by the House May 13, 2011.

 Approved by the Governor June 15, 2011, with the exception of
 certain items that were vetoed.

 Filed in Office of Secretary of State June 15, 2011.

 Note: Governor's explanation of partial veto is as follows:

I am returning herewith, without my approval as to Sections 3 and 26,
Engrossed Substitute Senate Bill 5921 entitled:

 "AN ACT Relating to social services."

This omnibus bill addresses redesign and policy changes to Washington's WorkFirst program, including provisions related to eligibility, accountability, fraud detection and enforcement. During the current economic downturn the state has experienced increased utilization of safety net programs. Now is the time to redouble our focus on service delivery that meets the intended outcomes and ensures fiscal accountability for the use of limited public funds.

Section 3 of the bill requires the Department of Social and Health Services to engage in competitive performance-based contracting for all WorkFirst activities. I strongly support government efficiency and improved performance in providing critical services to Washington residents. However, Section 3 of the bill is not needed and could create confusion about the applicable law that would govern such contracting. The Legislature enacted a law in 1997, codified as RCW 74.08A.290, that authorized the Department of Social and Health Services to engage in competitive contracting using performance-based contracts to provide all work activities. The Department of Social and Health Services would be expressly mandated to exercise its authority granted in 1997 under RCW 74.08A.290 by Second Engrossed Substitute House Bill 1087, a bill among those I sign today. I will direct the Department of Social and Health Services and the WorkFirst Subcabinet to act on the Legislature's direction in Second Engrossed Substitute House Bill 1087 to competitively contract all work activities under the 1997 law.

Section 26 of the bill establishes a Fraud Ombudsman in the State Auditor's Office to audit and provide oversight of the Office of Fraud and Accountability at the Department of Social and Health Services. Transparency of public funds is critically important. I remain committed to ensuring appropriate use of public funds when providing critical services for the State's most vulnerable residents.

However, Section 26 is duplicative of the State Auditor's Office existing authority to audit the work of the Office of Fraud and Accountability. The Department of Social and Health Services will provide the State Auditor's Office with access to any relevant records in its possession to the fullest extent practicable upon the request of the State Auditor's Office.

For these reasons, I have vetoed Sections 3 and 26 of Engrossed Substitute Senate Bill 5921.

With the exception of Sections 3 and 26, Engrossed Substitute Senate Bill 5921 is approved."