

# SENATE BILL REPORT

## SB 5347

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As of March 15, 2017

**Title:** An act relating to the definition of work activity for the purposes of the WorkFirst program.

**Brief Description:** Concerning the definition of work activity for the purposes of the WorkFirst program.

**Sponsors:** Senators Walsh, Darneille, Zeiger, Rolfes, Sheldon, Angel and Hasegawa.

**Brief History:**

**Committee Activity:** Human Services, Mental Health & Housing: 1/30/17, 2/06/17 [DPS-WM, w/oRec].

**Ways & Means:** 3/14/17.

**Brief Summary of Bill**

- Changes the limit on vocational training for WorkFirst recipients from 12 months to 24 months, subject to funds appropriated specifically for this purpose.

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### SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING

**Majority Report:** That Substitute Senate Bill No. 5347 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators O'Ban, Chair; Darneille, Ranking Minority Member; Hunt and Walsh.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Padden.

**Staff:** Alison Mendiola (786-7444)

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Maria Hovde (786-7474)

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Background:** Temporary Assistance for Needy Families. Temporary Assistance for Needy Families (TANF) is a federal block grant established under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The TANF program replaced the Aid to Families with Dependent Children program, which had provided grants to poor families with children since the 1930s.

States use TANF block grants to operate their own programs. State programs differ, but operate in accordance with the following purposes set forth in federal law:

- to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- encourage the formation and maintenance of two-parent families.

In addition to money received from the federal government, states are required to spend their own funds on programs for needy families or face financial penalties; this is referred to as the Maintenance of Effort, or MOE, requirement.

WorkFirst. Washington State's TANF program is called WorkFirst and is administered by the Department of Social and Health Services (DSHS). Under the WorkFirst program, eligible adults receive various forms of assistance while they participate in activities that will help them connect to the workforce. The federal statutes require a certain participation rate for adults receiving TANF benefits, and states may be penalized if they fail to meet the required participation rate. Federal statute defines both the activity as well as the length of time that a WorkFirst participant may spend on that activity. These definitions are also codified in state law. A work activity includes unsubsidized and subsidized paid employment, internships, on-the-job training, job search and job readiness assistance, vocational education training, education, and other activities. Under current law, a WorkFirst participant's vocational education training may not exceed 12 months.

**Summary of Bill (First Substitute):** The amount of vocational training that a WorkFirst participant may receive is increased from 12 months to 24 months.

By December 1, 2025, the Joint Legislative Audit and Review Committee is to review the impact of extending the amount of vocational training time that qualifies for work activity from 12 months to 24 months. The review is to include: (1) an analysis of the increase of number of participants that qualify for TANF due to the extended training, and (2) a comparison of employment and earnings outcomes for individuals that qualified due to the extended training time compared to the other TANF recipients.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on First Substitute (Human Services, Mental Health & Housing):** PRO: The state spends a lot of money on education. It takes two years to get a meaningful education that will lead to a family wage job. This bill, extending vocational training to 24 months, will get people to jobs and paying taxes—this return on investment is very important. The challenge now is that when a person is in their 13th month of training, this does not count towards the federal work participation rate so the person has to also meet the work requirements, such as 30 hours of job search per week, which leads the student to being in school even longer and takes away time that the parent could be with his or her children. Researchers have identified that those with 54 or more college credit hours make more money than those who don't and are more likely to be employed two years later. Increasing a recipient's time in vocational training is good for the economy. The State Board of Technical Colleges works hard to accommodate WorkFirst students; over 90 percent of the students they work with are using non-TANF dollars so that should be considered when looking at the fiscal note. Children growing up in poverty are more likely to end up in poverty. Such kids also experience toxic stress, are less ready for kindergarten than their peers, and experience academic hardships. When looking at poverty reduction strategies, addressing the needs of the parent will also have a positive effect on the children.

**Persons Testifying (Human Services, Mental Health & Housing):** PRO: Senator Maureen Walsh, Prime Sponsor; Michael Althausser, Columbia Legal Services; David Hlebain, Statewide Poverty Action Network; Julie Watts, Washington Budget and Policy Center; Erin Frasier, WA State Board of Community and Technical Colleges; Laurie Lippold, Partners for Our Children.

**Persons Signed In To Testify But Not Testifying (Human Services, Mental Health & Housing):** No one.

**Staff Summary of Public Testimony (Ways & Means):** Only approximately 14 percent of WorkFirst participants reach completion in educational programs and this is largely due to the requirements that participants spend a certain number of hours working. In addition, the first year of WorkFirst for many participants may be spent on remedial education. The second year of education is important to reach a higher level of educational attainment. The extra time is needed to ensure that these individuals have the necessary time to complete educational programs. This bill will help to move people off of TANF and out of poverty.

**Persons Testifying (Ways & Means):** PRO: Senator Maureen Walsh, Prime Sponsor; Laurie Lippold, Partners for Our Children; Rebecca Snyder, WorkFirst Student; Michael Althausser, Columbia Legal Services; Jennifer Dellinger, State Board of Community and Technical Colleges.

**Persons Signed In To Testify But Not Testifying (Ways & Means):** No one.