

CHAPTER 434

[Engrossed Second Substitute House Bill No. 448]
FAMILY INDEPENDENCE PROGRAM

AN ACT Relating to the family independence program; amending RCW 43.19.1901; adding a new chapter to Title 74 RCW; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. SHORT TITLE. This chapter may be cited as the family independence program.

NEW SECTION. Sec. 2. INTENT. The legislature hereby establishes as state policy the goal of economic independence for employable adults receiving public assistance, through employment, training, and education. The legislature finds that children living in families with incomes below the needs standard have reduced opportunities for physical and intellectual development. A family's economic future is frequently not improved by the current program.

Therefore, in order to break the cycle of poverty and dependence, a family independence program is established. Participating families are to receive benefits under this program at no less than they would otherwise have been entitled to receive.

The legislature finds that the state has a vital interest in ensuring that citizens who are in economic need are provided appropriate financial assistance. It is the intent of the legislature to maintain the existing partnership between state and federal government and that this program remain part of the federal welfare entitlement program. The legislature seeks federal authority for a five-year demonstration project and recognizes that waivers and congressional action may be required to achieve our purpose. The legislature does not seek a block grant approach to welfare.

The legislature recognizes that any program intended to assist new and current public assistance recipients will be more likely to succeed when the state, private sector, and recipients work together.

The legislature also recognizes the value of building on successful programs that utilize the development of networking and mentoring strategies to assist public assistance recipients to gain self-sufficiency. The legislature further encourages public-private cooperation in the areas of job readiness training, education, job training, and work opportunities.

The legislature finds that the goal of economic independence requires increased efforts to assist parents in exercising their children's right to economic support from absent parents.

The legislature recognizes the substantial participation in the workforce of women with preschool children, and the difficulty in reentering employment after long absences.

The legislature further recognizes that public assistance recipients can play a major role in setting their own goals.

The objectives of this chapter are to assure that: The maximum number of recipients of public assistance become independent and self-sufficient through employment, training, and education; financial incentives be available to recipients participating in job readiness, education, training, and work programs; the number of children growing up in poverty be substantially reduced; and unemployable recipients be afforded a basic level of financial and medical assistance consistent with the state's financial capabilities.

***NEW SECTION.** Sec. 3. DEFINITIONS. Unless the context requires to the contrary, the definitions in this section apply throughout this chapter.

(1) "Benchmark standard" is the basic monthly level of cash benefits, established according to family size, which equals the state's payment standard under the aid to families with dependent children program, plus an amount not less than the full cash equivalent of food stamps for which any family of such size would otherwise be eligible.

(2) "Department" means the department of social and health services.

(3) "Enrollee" means the head(s) of household of a family eligible to receive financial assistance or other services under the family independence program.

(4) "Executive committee" or "committee" means the family independence program executive committee, authorized by and subject to the provisions of this chapter, to make policy recommendations to the legislature and develop procedure, program standards, data collection and information systems for family independence programs, including making budget allocations, setting incentive rates within appropriated funds, setting cost-sharing requirements for child care and medical services, and making related financial reports under chapter 43.88 RCW.

(5) "Family independence program services" include but are not limited to job readiness programs, job creation, employment, work programs, training, education, family planning services, development of a mentor program, income and medical support, parent education, child care, and training in family responsibility and family management skills, including appropriate financial counseling and training on management of finances and use of credit.

(6) "**Family opportunity councils**" or "**councils**" means **information exchange, networking, and mentoring organizations created through contracts between the department and private nonprofit community organizations providing assistance in self-sufficiency.**

(7) "Food stamps" means the food purchase benefit available through the United States department of agriculture.

(8) "Gross income" means the total income of an enrollee from earnings, cash assistance, and incentive benefit payments.

(9) "Incentive benefit payments" means those additional benefits payable to enrollees due to their participation in education, training, or work programs.

(10) "Job-ready" is the status of an enrollee who is assessed as ready to enter job search activities on the basis of the enrollee's skills, experience, or participation in job and education activities in accordance with section 8 of this act.

(11) "Job readiness training" means that training necessary to enable enrollees to participate in job search or job training classes. It may include any or all of the following: Budgeting and financial counseling, time management, self-esteem building, expectations of the workplace (including appropriate dress and behavior on the job), goal setting, transportation logistics, and other preemployment skills.

(12) "Maximum income levels" are those levels of income and cash benefits, both benchmark and incentive, which the state establishes as the maximum level of total gross cash income for persons to continue to receive cash benefits.

(13) "Medical benefits" or "medicaid" are categorically or medically needy medical benefits provided in accordance with Title XIX of the federal social security act. Eligibility and scope of medical benefits under this chapter shall incorporate any hereinafter enacted changes in the medicaid program under Title XIX of the federal social security act.

(14) "Noncash benefits" includes benefits such as child care and medicaid where the family receives a service in lieu of a cash payment related to the purposes of the family independence program.

(15) "Payment standard" is equal to the standard of need or a lesser amount if rateable reductions or grant maximums are established by the legislature. Standard of need shall be based on periodic studies of actual living costs and generally recognized inflation indices and shall include reasonable allowances for shelter, fuel, food, transportation, clothing, household maintenance, and necessary incidentals. The standard of need may take into account the economies of joint living arrangements, but there shall not be proration of any portion of assistance grants unless the amount of the payment standard is equal to the standard of need.

(16) "Placement" means enrollees who have obtained full-time employment (thirty hours or more per week) or part-time employment (less than thirty hours per week), and who remain employed, as verified by a thirty-day followup contact.

(17) "Subsidized employment" means employment for which the family independence program has provided the employer the financial resources, in whole or in part, to compensate an enrollee for the performance of work.

(18) "Unsubsidized employment" means employment for which the family independence program has not provided the employer the financial resources to compensate an enrollee for the performance of work.

*Sec. 3 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 4. ELIGIBILITY FOR BENEFITS. (1) Upon implementation of the family independence program, all applicants for public assistance, except persons eligible for assistance under the general assistance—unemployable program, shall be enrolled in the family independence program and shall be eligible to receive financial and medical benefits under the following criteria:

(a) A person who is a "dependent child" as defined in 42 U.S.C. Sec. 606(a) or 42 U.S.C. Sec. 607(a), the caretaker relative(s) with whom the dependent child resides, or a pregnant woman as defined in 42 U.S.C. Sec. 606(b); and

(b) A person whose resources do not exceed those established by the United States department of health and human services at 45 C.F.R. Sec. 233.20(a)(3)(i)(B); and

(c) A person whose income does not exceed the benchmark standard plus appropriate incentive benefit payments established in accordance with this chapter. However, subject to subsection (2) of this section and section 18 of this act, the department may limit family independence program eligibility to exclude those new applicants whose monthly income would render them ineligible for aid to families with dependent children benefits under the payment level in effect at the time of the application. For the purposes of this subsection, a new applicant is a person who has not been a recipient of aid to families with dependent children or an enrollee for ninety days prior to application.

(2) Subject to the availability of funds for family independence program benefits, the department may expand eligibility to authorize family independence program benefits for additional categories of persons, but the department shall ensure that no person who would be eligible for benefits under the program requirements in place in this state as of January 1, 1988, pursuant to Titles IV-A and XIX of the federal social security act shall be denied financial or medical benefits under this chapter.

NEW SECTION. Sec. 5. FAMILY INDEPENDENCE PROGRAM—EXECUTIVE COMMITTEE—ADVISORY COMMITTEE—RECORDS—QUORUM—COMPENSATION AND TRAVEL EXPENSES. (1) The family independence program executive committee is hereby established.

(2) The executive committee shall consist of seven members as follows: The secretary of social and health services, the commissioner of the employment security department, the senior official from each of those agencies who is responsible for the family independence program, an official of the office of financial management, and two nonvoting individuals who have

received public assistance in the past but have subsequently achieved economic independence. The former recipient members of the executive committee shall be selected by the advisory committee. The former recipient representatives on the committee shall hold a term of two years. Terms may be renewed for one additional two-year term. The former recipient representatives shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(3) The executive committee shall appoint and consult with an advisory committee of not less than ten or more than twenty members broadly representative of business, labor, education, community, enrollee, civic groups, and the public at large. The membership shall be geographically balanced with one-third of the membership composed of enrollees or community members in accordance with section 6 of this act. The advisory committee members shall serve terms of two years. In addition, the speaker of the house of representatives and the president of the senate shall appoint a member of each caucus of the legislature to the advisory committee.

The initial terms of the advisory committee members shall be staggered in a manner determined by the executive committee. In the event of a vacancy on the advisory committee due to death, resignation, or removal of one of the advisory committee members, and upon the expiration of the term of any member, the executive committee shall appoint a successor from a list supplied by the family opportunity councils for a term expiring on the second anniversary of the successor's date of the appointment, except that vacancies in a position appointed by a legislative officer shall be filled by that officer. Advisory committee members may be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(4) If any one of the state offices on the executive committee is abolished, the resulting vacancy on the executive committee shall be filled by the state officer who shall succeed substantially to the power and duties of the abolished office.

(5) The secretary of social and health services shall serve as chairperson of the executive committee. The commissioner of the employment security department shall serve as vice-chairperson. The executive committee shall appoint a secretary who need not be a member of the executive committee.

(6) The secretary of the executive committee shall keep a record of the proceedings of the committee meetings.

(7) Three members of the executive committee constitute a quorum. The executive committee may act on the basis of motions. Motions shall be adopted upon the affirmative vote of a majority of a quorum of members present at any meeting of the executive committee. A vacancy in the membership of the committee does not impair the power of the committee to act under this chapter. However, in the case of a vacancy in one of the offices

which constitutes the membership of the committee, the individual acting in the capacity of that officer shall also act as a member of the committee.

(8) The executive committee shall consult with the advisory committee on significant matters before taking action on such matters. Matters of significance include but are not limited to the nature and extent of contracts with private or nonprofit entities, decisions to modify incentive payments, and a right to review and comment upon the employment and child care plans and all reports submitted to the legislature, prior to their submission. The meetings of the executive committee are subject to chapter 42.30 RCW, the open public meetings act. The advisory committee shall study approaches to allow children in poverty to grow up healthy with self-confidence and the ability to break the cycle of dependence that can result from inadequate nutrition, housing, and other basic needs.

NEW SECTION. Sec. 6. FAMILY OPPORTUNITY COUNCILS.

(1) The executive committee shall establish a family opportunity advisory council in each of the department's regions to make recommendations on the social services, procedures, and income maintenance operations used in the family independence program. The councils shall also assist in providing mentors, mutual self-help, and information on alternatives to welfare dependency. The councils shall include: (a) Individuals currently receiving assistance; (b) individuals who have received public assistance in the past but have subsequently achieved economic independence; and (c) persons who are board members or employees of nonprofit organizations providing services of the types offered to family independence program recipients, including those with experience in developing self-esteem and individual motivation. A regional advisory council may establish panels representing specific geographic areas within the region.

(2) Each advisory council shall nominate three persons from which the executive committee shall elect one person from each region to be a member of the advisory committee authorized by section 5 of this act. Appointments shall be for a term of two years. Terms may be renewed for one additional two-year term. Three regional appointments shall initially be for a term of one year. The regional representatives shall constitute the consumer and enrollee representatives required by section 5 of this act.

(3) Recipients and former recipients may be paid a per diem rate established by the executive committee. Members may be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

NEW SECTION. Sec. 7. POWERS AND DUTIES. (1) The executive committee shall direct the employment security department and the department of social and health services, or the appropriate successor agencies, subject to the provisions of this chapter and consistent with available funds, to do the following in order to accomplish the purposes of this chapter:

(a) To carry out and ensure the development of job readiness training, job development activities, subsidize employment in or through public, private, volunteer, and nonprofit agencies, and provide training funds for enrollees prior to and during employment;

(b) To carry out training and education activities as set forth in section 8 of this act;

(c) To allow enrollees, consistent with available appropriations, to receive the incentive benefit payments while attending higher education and vocational institutions;

(d) To fund other related family services, including, but not limited to, child care services for enrollees who participate in the education, training, and work programs authorized by the executive committee;

(e) To receive federal and state funds for the family independence program and to otherwise manage the program so as to operate within legislatively determined funding limitations. However, the executive committee has no authority to alter the benchmark standard established by the legislature;

(f) To determine the level and types of program benefits and incentive benefit payments in accordance with this chapter, together with specific administrative requirements to be met by program enrollees;

(g) To authorize other individuals served under aid to families with dependent children—regular and employable to voluntarily seek enrollee status;

(h) To establish rules for the treatment of earnings and unearned income by enrollees as set forth in section 18 of this act;

(i) To establish administrative sanctions consistent with the criteria set forth in section 15(3) of this act which may be applied to enrollees and the conditions under which program benefits may be reduced or terminated;

(j) To establish due process procedures as set forth in section 11 of this act;

(k) To establish the conditions under which child care and other related social services, including parent education and counseling, will be provided, subject to the following: Any child care provided under this chapter shall be in accordance with statutory child day care licensure requirements;

(l) To provide child care without cost to enrollees whose income is below the maximum authorized income level;

(m) To establish copayment requirements for noncash benefits as set forth in section 10 of this act;

(n) To establish the conditions and terms under which the department may enter into contracts with the public, private, and not-for-profit sectors to provide:

(i) Parenting education for parents;

(ii) Job readiness training;

(iii) Training of state agency employees to work with enrollees in developing plans for self-sufficiency, which include but are not limited to the employability, training, and education plans;

(iv) The development of mentoring programs to provide assistance to current recipients through the use of former recipients; and

(v) Facilitation of family opportunity councils in the geographical areas sited for implementation of the program;

(o) To establish the conditions and terms, and to enter into contracts, under which public, private, and not-for-profit sector jobs will be created and financed by the executive committee and the circumstances under which training for employees or potential employees of public, private, and for-profit employers will be subsidized through the family independence program;

(p) To establish the terms and provisions under which training and job development services may be extended to the absent parent(s) of the children of enrollees;

(q) To establish the frequency and method for redetermining eligibility;

(r) To undertake the acquisition of all such services authorized in this chapter on an exempt basis, as provided in RCW 43.19.1901, from the public bid requirements of RCW 43.19.190 through 43.19.200;

(s) To establish a proposed schedule by geographic area for implementation of the family independence program, which shall be submitted to the legislature by January 1, 1988. Until the family independence program is implemented in a particular geographic area, applicants in that area shall continue to be eligible for benefits under the aid to families with dependent children program and shall have a right to convert to the family independence program when it is available in that area;

(t) To determine methods of administration and do all other things necessary to carry out the purposes of this chapter.

(2) The executive committee with assistance from the appropriate agencies shall promulgate rules in accordance with chapter 34.04 RCW in order to accomplish the purposes of this chapter. Policy decisions of the executive committee that require rule-making shall not be final until the adoption of the necessary rules.

NEW SECTION. Sec. 8. ENROLLEE PARTICIPATION. (1) The executive committee may mandate the participation of enrollees in registration and assessment activities unless persons meet the exemption criteria set forth in subsection (2)(d) (ii) through (vi) of this section;

(2) The executive committee may mandate the participation of enrollees in education, training, or work activities, subject to the following:

(a) There shall be no mandatory participation of enrollees in education, training, or work activities during the first two years after implementation of this chapter;

(b) The executive committee shall collect and maintain records regarding the number of enrollees awaiting placement in job preparation activities; the number of enrollees who are participating in an education, job training, or other job preparation program; the number of enrollees who are job-ready as defined in this chapter; and the number of enrollees who have obtained placement as defined in this chapter. After the first two years, participation in training, education, or work activities may become mandatory in regions in which the family independence program has been implemented in accordance with this chapter, in which more than fifty percent of the job-ready enrollees obtained placements within three months of the time they became assessed as job-ready, and in which incentive benefit payment levels are set as initially required under section 15 of this act;

(c) If mandatory participation is suspended, it may be suspended by rule on a county or regional basis, but may be retained for a discrete group of enrollees;

(d) When participation in work and training requirements becomes mandatory, the following persons are exempt from the mandatory participation requirement:

(i) One parent with a child under three years of age in the home unless the family has been receiving public assistance for more than three years, in which case the caretaking parent must participate after the child is six months of age;

(ii) New enrollees who are on public assistance for the first time shall not be required to participate in employment, training, or work activities until they have been on public assistance for six months;

(iii) Persons under sixteen years of age or over sixty-four years of age;

(iv) Persons over sixteen years of age who are in high school;

(v) Persons who are incapacitated, temporarily ill, or are needed at home to care for an impaired person;

(vi) A person who is in the third trimester of pregnancy; and

(vii) A person who has not yet been individually notified in writing of the requirement to participate in registration, assessment, work, or training requirements or the expiration of his or her exempt status.

(3) The executive committee may suspend and reinstate, based upon periodic review, the mandatory requirement as affected by the availability of training and job resources.

NEW SECTION. Sec. 9. TRAINING AND EDUCATION ACTIVITIES. (1) The department of social and health services and the employment security department shall provide education and training opportunities to enrollees when appropriate, pursuant to the employability plan required in section 19 of this act, and shall emphasize efforts which prepare enrollees for long-term unsubsidized employment and economic independence. This shall include opportunities for: (a) Enrollees who seek to pursue basic remedial education, such as completion of general equivalency diploma, adult

basic education, and English proficiency training; (b) enrollees who seek vocational or skills training through on-the-job training or enrollment in a skills training or vocational training program, including those programs at a vocational training institute or community college; and (c) enrollees seeking higher education, including community college and four-year college degrees.

(2) The state agencies shall assure that those enrollees who seek to pursue work, training, and education activities, and those enrollees who are required in accordance with this chapter to so participate, receive a realistic assessment of work, training, and education opportunities and the opportunity to mutually participate in developing an individual self-sufficiency plan. The self-sufficiency plan shall take into account the local labor market and wage levels, as well as the individual's skills, work history, abilities, limitations, financial needs, desires, and interests, and shall specify the activities and services required for completion. The self-sufficiency plan is subject to approval by the state agencies. An enrollee may seek a modification of the self-sufficiency plan, or an administrative review if mutual agreement cannot be achieved.

(3) Within available funds, the department shall provide for payment of support services including child care and family independence program benefits at the benefit incentive level for education and training as set forth in section 15 of this act to support appropriate training and education programs of enrollees. When the department has approved the funding of such payments for individual's appropriate training or education plan, such funding shall continue, subject to an annual review, for the duration of the individual's participation in the approved training or education program. The executive committee shall establish by rule criteria for funding of appropriate training and education programs.

(4) When support services are unavailable through existing day-care resources, the department shall make efforts to gain services through private and public agencies.

NEW SECTION. Sec. 10. DUE PROCESS PROCEDURES. The executive committee shall direct the department of social and health services and the employment security department to adopt rules providing due process of law protections to applicants for and recipients of family independence program benefits. The requirements shall confer protections no less than those which the federal statutes and regulations confer on participants in the food stamp, aid to families with dependent children, and work incentive programs. The protections shall include, but are not limited to, the following:

(1) The departments shall provide adequate advance written notice to applicants or enrollees of any agency action to deny, award, reduce, terminate, increase, or suspend benefits or to change the manner or form of payment or of any agency action requiring the enrollee to take any action.

Adequate notice includes a statement of what action the agency intends to take, the reasons for the intended agency action, the specific rules supporting the action, an explanation of the individual's right to request an administrative fair hearing, how to request one, and the circumstances under which assistance is continued pending such a hearing if requested.

(2) Advance notice must be mailed to enrollees at least ten days prior to the date on which the proposed action would become effective.

(3) An applicant or enrollee aggrieved by an action or decision of the departments, including requiring or denying participation in a work, training, or education activity, has the right to request a fair hearing to be conducted by the office of administrative hearings in accordance with chapters 34.12 and 34.04 RCW. The aggrieved person is entitled to all fair hearing rights provided under RCW 74.08.070 and to the right of judicial review therefrom as provided in RCW 74.08.080.

(4) When an enrollee requests a hearing during the advance notice period, the departments shall not implement the challenged action until a written decision is rendered after a hearing. The advance notice period is the period prior to the effective date of the proposed action or ten days from the date of adequate written notice, whichever is later. Any assistance received pending a hearing or hearing decision may be considered to be an overpayment if the decision is against the enrollee.

(5) Financial, food stamp, and medical assistance shall be furnished to eligible individuals in a timely manner and shall be continued regularly to all eligible individuals until they are found to be ineligible. Applications should be disposed of as soon as possible in accordance with 7 C.F.R. Sec. 273.2 (g) and (i) and 45 C.F.R. Sec. 206.10 and no later than thirty days from the date of application unless good cause applies. Prior to denial or termination of family independence program cash or noncash benefits, each family's eligibility for financial assistance, medical assistance, and food stamp benefits shall be determined.

NEW SECTION. Sec. 11. NONCASH BENEFITS AND REQUIRED FINANCIAL PARTICIPATION. (1) When an enrollee ceases to receive family independence program cash benefits as a result of increased earnings, the enrollee shall be eligible to receive family independence program noncash child care and medical benefits for a period of one year following the cessation of family independence program cash eligibility.

(2) The executive committee may authorize the department to require financial participation based on income of the enrollee in the cost of the family independence program noncash benefits, but such financial participation requirement shall not exceed twenty-five percent of the cost of the noncash benefit or twenty-five percent of the amount by which the family's income exceeds the maximum income level, whichever is less.

(3) No person may be required to participate in the cost of medical benefits if the person would have been eligible for medicaid benefits at no additional cost under the medically needy income levels or the program requirements in effect as of January 1, 1988.

NEW SECTION. Sec. 12. LIMITATIONS ON SUBSIDIZED AND UNSUBSIDIZED EMPLOYMENT POSITIONS. (1) Enrollees referred to subsidized and unsubsidized employment positions established pursuant to this chapter shall not be considered employees of the executive committee or the state solely because of their status as enrollees in the family independence program. Enrollees in subsidized and unsubsidized employment positions established pursuant to this chapter shall be considered employees of the agency or employer sponsoring their employment. Enrollees in such subsidized and unsubsidized positions shall receive and enjoy the following protections and benefits of the sponsoring employer including, but not limited to, worker's compensation, old age and survivors health insurance, protections of a collective bargaining agreement, sick leave, retirement, medical benefits, vacation leave, and hours of work, provided that these protections and benefits shall not be created by this subsection if such protections and benefits do not already exist. Enrollees in such subsidized and unsubsidized positions shall also be covered for purpose of unemployment compensation, notwithstanding RCW 50.44.040(5) to the contrary.

(2) Subsidized and unsubsidized positions under this chapter to which enrollees are referred shall not be created as a result of, nor result in, any of the following:

(a) Displacement of currently employed workers or authorized positions, for the purpose of employing enrollees, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits;

(b) The filling of subsidized and unsubsidized positions that would otherwise be a promotional opportunity;

(c) The filling of a subsidized or unsubsidized position before compliance with applicable personnel procedures and collective bargaining agreements, including in the instance of subsidized jobs the written concurrence from any affected union representative organization;

(d) The filling of a subsidized or unsubsidized position created by a reduction in work force or change of employers;

(e) A strike, lockout, or other bona fide labor dispute, or a violation of any existing collective bargaining agreement between employees and employers;

(f) Decertification of any bargaining unit;

(g) Creation of a new classification that has the intent or effect of subverting the intent of this section.

(3) Enrollees in subsidized and unsubsidized employment shall not continue participation at a place of employment that is involved in a strike, lockout, or other bona fide labor dispute.

(4) The employment security department shall establish a dispute-resolution process for resolving disagreements arising from this section or other employment-related sections of this chapter.

NEW SECTION. Sec. 13. COMPENSATION FOR ENROLLEES. The executive committee shall direct that no enrollee shall be referred to subsidized or unsubsidized employment in which the enrollee would be paid at a rate less than the highest of the following:

(1) The minimum wage set out in section 6 (a)(1) of the fair labor standards act of 1938, as amended, or as established by state law;

(2) The prevailing rate of pay for persons employed in similar occupations by the same employer;

(3) The minimum entrance rate for inexperienced workers in the same occupation with the employer or, if the occupation is new to the employer, the prevailing entrance rate for the occupation among other employers in the area or community, or the applicable minimum rate required by an applicable bargaining agreement; or

(4) The prevailing rate established in accordance with the Davis-Bacon act, as amended, or the service contract act, as amended, for enrollees working in occupations covered by the applicable acts.

NEW SECTION. Sec. 14. REPORTS AND EVALUATION. (1) By January 1, 1988, the executive committee shall submit to the legislature:

(a) A child-care plan, which may include creative solutions to assist enrollees in making child-care arrangements;

(b) In consultation with the superintendent of public instruction, a plan for assisting high school students who are parents or pregnant to remain in school or complete their high school education;

(c) A plan for motivating those who are discouraged to seek self-sufficiency through work, education, or training;

(d) An employment plan for enrollees; and

(e) A plan for phased-in implementation of the family independence program.

(2) By January 1, 1988, the legislative budget committee, after consultation with the executive committee, shall submit to the legislature:

(a) An evaluation plan satisfactory to the federal government, including a plan for analysis, within available funds, of:

(i) The costs and effectiveness of the family independence program;

(ii) The extent to which education and training opportunities have led to employment and economic independence;

(iii) The extent to which support services have been provided for such education and training opportunities;

(iv) The impact of support services, training opportunities, and employment on the well-being of the children and families of enrollees;

(v) The impact of the family independence program on the labor market opportunities available to nonenrollees;

(vi) The impact of the family independence program on the early childhood education assistance program;

(vii) A comparison of the family independence program enrollees with a sample of aid to families with dependent children recipients entering assistance between July 1, 1987, through June 30, 1988, to determine the characteristics of the caseloads of the family independence program and the aid to families with dependent children program, including demographic characteristics, employment, training, and educational histories, spells on assistance, and reasons for entry onto and exit from assistance;

(viii) Such administrative and operational factors as may be requested by the executive committee;

(ix) A longitudinal study over time of a sample of public assistance recipients or persons at risk of becoming eligible for assistance, to determine the causes of public dependency and the impact of changes in the economy or of public programs on dependency, work, or other relevant behaviors of the sample population.

(3) The legislative budget committee shall cause the evaluation plan to be implemented subject to legislative approval in a manner that will insure the independence of the evaluation through appropriate arrangements, which may include contracts, with objective evaluators. The evaluation plan and all evaluation products shall receive the review and comment of evaluation advisory groups to be convened by the Washington institute of public policy and which include representatives of the executive committee, appropriate legislative committee staffs, persons from the state's higher education institutions, staff members of the department and the employment security department, recipients, and former recipients. The reviews shall consider relevance to state policy and budget concerns, methodological procedure, implementation, and results.

(4) The first report of this evaluation shall be submitted to the legislature no later than November 16, 1988, and annually thereafter, with a final report due no later than November 15, 1993.

NEW SECTION. Sec. 15. **BENCHMARK STANDARD AND INCENTIVE BENEFIT PAYMENTS.** (1) The legislature shall determine the benchmark standard for enrollees. The legislature may adjust the benchmark standard periodically. However, the department shall promptly pass on to enrollees any increases in federal food stamp program benefits. The executive committee shall designate what portion of the benchmark standard constitutes a cash payment for food stamp benefits and shall ensure that this designation information is regularly provided to recipients. The portion of the benchmark standard and incentive benefit levels that is

designated as the cash payment for food stamp benefits shall be excluded as income to the full extent that food stamps are so excluded by current and subsequently enacted state and federal law.

(2) Enrollees shall receive cash assistance which, when added to other income, provides total income not less than the benchmark standard set by the legislature. Enrollees participating in work, education, or training programs shall receive incentive benefit payments which, when added to other income, provides gross income not less than the levels which shall be initially set as follows:

(a) One hundred five percent of the benchmark standard for enrollees participating in training or education programs;

(b) One hundred five percent of the benchmark standard for teenage parents if they stay in school and progress toward graduation and successfully participate in parenting education approved by the office of the superintendent of public instruction or the department;

(c) One hundred fifteen percent of the benchmark standard for enrollees working half time, but the department may authorize a higher incentive benefit payment level for enrollees working part time; and

(d) One hundred thirty-five percent of the benchmark standard for enrollees working full time.

(3) Family independence program cash benefits shall not be available to meet the needs of enrollees for whom participation in the work and training components of the family independence program is mandatory and who refuse without good cause to participate in such programs. However, medical benefits for such sanctioned individuals and payments on behalf of the other members of the family shall be provided. In such cases, payments to the remaining family members may be in the form of protective payee payments unless, after reasonable efforts, the state is unable to locate an appropriate protective payee, in which case the sanctioned individual can be the payee for the remaining family members. A participant under such sanction is eligible for the full benchmark plus appropriate incentive benefit level once he or she participates.

(4) The department, at the direction of the executive committee, may increase or decrease the incentive benefit payment levels based on the availability of funds.

NEW SECTION. Sec. 16. CURRENT PROGRAM BENEFITS ASSURED. No applicant for or recipient of family independence program benefits shall receive less financial assistance in family independence program benefits than the sum of the aid for families with dependent children cash benefits and the cash equivalent of food stamp benefits the applicant would have received under the program requirements of the federal law and under the benefit levels in place as of January 1, 1988, as adjusted to reflect all increases in the federal food stamp allotments and deductions and in the

Washington state payment standard for aid to families with dependent children. Funds provided to the state under Title IV-A of the federal social security act and under the federal food stamp program shall be used first to make payments at one hundred percent of the benchmark level to all enrollees of the family independence program in accordance with the state plan, as well as to all recipients of aid to families with dependent children. Any remaining funds provided by the federal government may be used at the state's discretion for incentive payments and services to either enrollees or recipients of aid to families with dependent children in accordance with the purposes of this chapter.

NEW SECTION. Sec. 17. NONASSISTANCE FOOD STAMPS. The department shall continue to operate a federal food stamp program for persons who are not receiving family independence program benefits, including applicants awaiting determinations of eligibility for the family independence program.

No group of persons constituting a food stamp household under current food stamp law may receive less in any combination of food stamps and the portion of family independence program benefits designated as the food stamp cash equivalent pursuant to section 13 of this act than the amount for which they would have been eligible in food stamps if the family independence program did not include a cash-out of food stamp benefits.

NEW SECTION. Sec. 18. DETERMINING FINANCIAL NEED AND TREATMENT OF INCOME. The department shall establish rules for the determination of financial need and the treatment of income of enrollees consistent with this section.

(1) Income and resources shall be reasonably evaluated and cannot be considered available to an applicant or recipient unless actually available.

(2) The following shall be excluded as income in family independence program eligibility and need determinations: The value of medical benefits, child care, higher education benefits, earned income tax credit, income tax refunds, any housing subsidy, energy assistance, the earnings of a child, retroactive family independence program benefits, the child support exempted by 42 U.S.C. Sec. 657(b) or 42 U.S.C. Sec. 602(a)(8)(vi), and any benefit or moneys that any provision of federal law in effect on January 1, 1988, excludes from being considered income for eligibility for aid to families with dependent children or food stamps or other exclusions which Congress may hereafter enact.

(3) The executive committee may direct the department to establish methods for evaluating what portion of income is considered gross income for persons whose income is earned over a longer period of time than the period in which it is received and for measuring the gross income of self-employed persons.

NEW SECTION. Sec. 19. ENROLLEE PARTICIPATION. (1) All enrollees shall register for assessment to evaluate the appropriateness of work, education, or training options for that individual.

(2) For those enrollees who seek to pursue work, training, and education activities, and for those enrollees who are required in accordance with this chapter to so participate, the state agencies and the enrollee shall jointly develop an employability plan which sets forth the participation activity or sequence of activities and the available supportive services. In some instances, the plan may require additional assessment. The plan is subject to the approval of the state agencies. An enrollee may seek a modification of the employability plan, or an administrative review if mutual agreement cannot be achieved.

(3) Appropriate child care and other social services shall be available to enable an enrollee to participate in work, training, or education activities.

(4) Prior to the determination that a mandatory enrollee has refused to cooperate, efforts must be made at conciliation of the dispute consistent with 45 C.F.R. Sec. 224.63.

(5) The agencies shall adopt rules setting forth criteria that provide good cause for an enrollee's refusal to participate in or accept a specific assignment of proposed work, education, or training activities. The criteria shall include, but need not be limited to, the following:

(a) No suitable child care is available without cost to the enrollee;

(b) The assignment is not within the scope of the enrollee's employability plan;

(c) The assignment would have an adverse effect on the physical or mental health of the enrollee;

(d) The distance of the assignment from the enrollee's home makes participation impracticable;

(e) The assignment would result in a loss of income to the enrollee's family;

(f) Exigent personal or family circumstances would interfere with successful participation in the assignment;

(g) The assignment involves conditions which are in violation of applicable health and safety regulations;

(h) The assignment would interrupt a program in process at the undergraduate or vocational level which is reasonably expected to result in economic self-sufficiency; or

(i) The best interests of a child or children in the family would be served by the parent providing full or part-time care in the home due to the particular personal or family circumstances of the enrollee's family.

***NEW SECTION.** Sec. 20. IMPLEMENTATION OF PROGRAM. (1) The family independence program shall not be implemented before February 28, 1988, and shall not be implemented until specifically authorized by the legislature. However, upon the effective date of this section, the

executive committee shall be appointed and shall carry out those functions necessary to plan for the implementation of the family independence program, including securing federal approval.

(2) The governor shall report to the legislature at least once each quarter of 1987 on the progress of the executive committee's efforts to secure federal approval of the family independence program.

(3)(a) The governor shall seek congressional action on any federal legislation necessary to implement this chapter. The governor shall seek legislation that provides that any program under this chapter shall be a demonstration project which remains within the federal aid to families with dependent children system under Title IV of the federal social security act.

(b) Any agreements with the federal government necessary to implement the family independence program shall provide that any program under this chapter shall be a demonstration project which remains within the federal aid to families with dependent children system under Title IV of the federal social security act. Such agreements shall provide for waivers from the federal aid to families with dependent children system only to the extent necessary to implement this chapter.

(4) If all proposed agreements between the state and federal governments which are necessary to implement the family independence program have been completed before February 1, 1988, a plan outlining such proposed agreements shall be submitted to the legislature no later than February 7, 1988. If all agreements between the state and federal governments necessary to implement the family independence program have not been completed by February 1, 1988, an implementation plan with the proposed agreements shall be submitted to the senate committee on human services and corrections, the house of representatives committee on human services, and the senate and house of representatives committees on ways and means for consideration. Copies of all such proposed agreements and any proposed changes to state statute shall be submitted to the legislature with the plan. The family independence program shall be implemented only after the legislature has approved the implementation plan and authorized the signing and completion of all federal-state agreements.

(5) Any agreements with the federal government pursuant to this chapter shall provide that such agreements may be canceled by the state or federal government upon six months' notice or immediately upon mutual agreement. If the agreements are canceled, those enrollees in the family independence program who are eligible for the aid to families with dependent children, medicaid, and the food stamp programs shall be converted to those programs.

(6) Subject to the approval of the executive committee, the department of social and health services and the employment security department shall

enter into an interagency agreement for carrying out appropriate administrative functions and purposes as required with respect to the family independence program to be undertaken in this state.

(7) The family independence program shall be implemented only in counties of the state in which the average unemployment rate is less than twice the state-wide average. The executive committee may phase-in the program on a regional or county-by-county basis. The executive committee shall phase-in implementation in accordance with the plan outlined in section 7(1)(s) of this act after the legislature has approved the plan.

(8) In at least one region, the executive committee shall use a mandatory monthly reporting system in its implementation of the family independence program. After an appropriate period, the executive committee shall evaluate the cost-effectiveness and the effects on recipients and caseloads of the reporting. The executive committee may discontinue the mandatory monthly reporting system if it determines it not to be cost-effective.

*Sec. 20 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 21. REFERENCE TO OTHER LAWS. Unless the language specifically states to the contrary, any reference in this chapter to a provision or requirement of federal law or regulations refers to that provision as of January 1, 1988.

NEW SECTION. Sec. 22. CAPTIONS. Section captions as used in this chapter do not constitute any part of the law.

Sec. 23. Section 1, chapter 104, Laws of 1967 ex. sess. as amended by section 102, chapter 3, Laws of 1983 and RCW 43.19.1901 are each amended to read as follows:

The term "purchase" as used in RCW 43.19.190 through 43.19.200, and as they may hereafter be amended, shall include leasing or renting: PROVIDED, That the purchasing, leasing or renting of electronic data processing equipment shall not be included in the term "purchasing" if and when such transactions are otherwise expressly provided for by law.

The acquisition of job services and all other services for the family independence program under chapter 74.— RCW (sections 1 through 22 of this 1987 act) shall not be included in the term "purchasing" under this chapter.

NEW SECTION. Sec. 24. Sections 1 through 22 of this act shall constitute a new chapter in Title 74 RCW.

NEW SECTION. Sec. 25. Sections 1 through 22 of this act shall expire on June 30, 1989, unless extended by law.

NEW SECTION. Sec. 26. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or

the application of the provision to other persons or circumstances is not affected.

Passed the House April 24, 1987.

Passed the Senate April 14, 1987.

Approved by the Governor May 18, 1987, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1987.

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

"I am returning herewith, without my approval as to sections 3(6), 3(16), 20(7) and 20(8), Engrossed Second Substitute House Bill No. 448, entitled:

"AN ACT Relating to the family independence program."

This bill is the beginning of a new opportunity for the needy of our state to achieve independence, to free themselves from reliance on government assistance and to achieve a better standard of living. I appreciate the efforts of those in the Legislature who have worked with me to make this opportunity possible, and I want to thank them for their support. The final version of the bill, however, contains some flaws, and I find it necessary to veto several items to ensure a smooth start for the program. These problems are surprisingly few for a measure of this scope.

Section 3(6) contains a definition of "Family Opportunity Councils" that conflicts with the description of these councils found elsewhere in the bill. The description in section 6 provides clearer direction to the councils and should stand alone.

Section 3(16) adopts a definition of placement which describes full-time employment as "thirty hours or more per week." Using this definition could have a significant fiscal impact by increasing the number of enrollees who would receive the maximum benefit level. In order to make sure that the program can be accomplished with existing resources, this definition should be deleted.

Section 20(7) would prevent the implementation of the Family Independence Program in any county in which the average unemployment rate is more than twice the state-wide average. This means that we would not be able to offer critically needed services to enrollees in economically distressed counties, even though it is these counties that could benefit the most from the creation of jobs through the job subsidy mechanism.

Section 20(8) would require the implementation of mandatory monthly reporting in at least one region. Data on both the state and national level has shown that mandatory monthly reporting is not cost effective. This provision would lead to increased administrative costs and complexity without compensating savings.

With the exception of sections 3(6), 3(16), 20(7) and 20(8), Engrossed Second Substitute House Bill No. 448 is approved."

CHAPTER 435

[Substitute House Bill No. 420]

CHILD SUPPORT OBLIGATIONS—CENTRAL REGISTRY

AN ACT Relating to domestic relations; amending RCW 13.32A.175, 13.34.160, 26.09.120, 26.09.135, 26.18.020, 26.18.070, 26.18.080, 26.18.100, 26.18.110, 26.18.130, 26.21.125, 26.21.140, 26.21.150, 26.21.160, 26.26.132, 26.26.150, 74.04.060, 74.20.101, 74.20A.030, 74.20A.130, 74.20A.190, and 74.20A.260; adding a new chapter to Title 26 RCW; repealing RCW 26.09.130 and 26.18.060; prescribing penalties; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington: