

for recording satisfactions of mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax may be accepted by the county auditor for filing or recording until the tax is paid and the stamp affixed thereto; in case the tax is not due on the transfer, the instrument shall not be accepted until suitable notation of this fact is made on the instrument by the treasurer.

Passed the Senate March 9, 1990.

Passed the House March 27, 1990.

Approved by the Governor March 30, 1990.

Filed in Office of Secretary of State March 30, 1990.

CHAPTER 6

[Substitute Senate Bill No. 6624]

FAMILY INDEPENDENCE PROGRAM

AN ACT Relating to administration of the family independence program; amending RCW 74.21.020, 74.21.030, 74.21.040, 74.21.050, 74.21.070, and 74.21.190; creating a new section; and declaring an emergency.

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

Sec. 1. Section 2, chapter 434, Laws of 1987 as amended by section 2, chapter 43, Laws of 1988 and RCW 74.21.020 are each amended to read as follows:

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 intends that the family independence program is operated as a demonstration, which shall be periodically reviewed and modified by the executive committee to further state policy and to manage the program within resources.

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, including community-based organizations as service providers in these areas through contractual relationships.

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; caseloads be correspondingly reduced on a long-term basis; 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.

Sec. 2. Section 3, chapter 434, Laws of 1987 as amended by section 27, chapter 11, Laws of 1989 and RCW 74.21.030 are each amended to read as follows:

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

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

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

(9) "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 RCW 74.21.080.

(10) "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.

(11) "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.

(12) "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.

(13) "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.

(14) "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.

(15) "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.

(16) "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.

(17) "Treatment site" means the five sites chosen in accordance with federal standards for data collection by the independent evaluator contracted for under this chapter.

Sec. 3. Section 4, chapter 434, Laws of 1987 and RCW 74.21.040 are each amended to read as follows:

(1) Upon implementation of the family independence program, all applicants for public assistance, except persons eligible for assistance under the general assistance—unemployable program and except for families in which the children residing with caretakers other than the children's parents are the only individuals eligible for benefits, under chapter 74.04 RCW, 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 RCW 74.21.180, 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.

(3) The executive committee is authorized to transfer cases from the family independence program to the aid for families with dependent children program in circumstances where the dependent children residing with caretakers other than the children's parents are the only individuals eligible for benefits under chapter 74.04 RCW.

Sec. 4. Section 5, chapter 434, Laws of 1987 and RCW 74.21.050 are each amended to read as follows:

(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 RCW 74.21.060. 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 and shall supervise all staff and program functions not under the direct supervision of the employment security department. 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.

Sec. 5. Section 7, chapter 434, Laws of 1987 and RCW 74.21.070 are each amended to read as follows:

(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 RCW 74.21.080;

(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 periodically review administration data and evaluation reports and to modify program operations in accordance with state and federal law. Such modifications shall not conflict with waiver agreements between the state and federal agencies and shall be made only after consultation with the legislative budget committee;

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

~~((h))~~ (i) To establish rules for the treatment of earnings and unearned income by enrollees as set forth in RCW 74.21.180;

~~((i))~~ (j) To establish administrative sanctions consistent with the criteria set forth in RCW 74.21.150(3) which may be applied to enrollees and the conditions under which program benefits may be reduced or terminated;

~~((j))~~ (k) To establish due process procedures as set forth in RCW 74.21.110;

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

~~((m))~~ (n) To establish copayment requirements for noncash benefits as set forth in RCW 74.21.100;

~~((n))~~ (o) 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;

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

~~((r))~~ (s) 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))~~ (t) 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. The executive committee is authorized to periodically stop enrollments in family independence program sites, except for the five treatment sites, for the purpose of managing resources, until such time as sufficient funds become available to reopen enrollments.

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 in accordance with rules adopted by the executive committee;

~~((t))~~ (u) 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 34.05 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.

Sec. 6. Section 19, chapter 434, Laws of 1987 and RCW 74.21.190 are each amended to read as follows:

(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) All enrollees who are employed full time whose earnings are less than one hundred thirty-five percent of the benchmark standard shall be identified at their next annual eligibility review. Enrollees so identified shall participate in an employability reassessment to determine if the employment is reasonably likely to move the enrollee into noncash benefit status within a year. Plan approval shall be suspended under rules adopted in accordance with this chapter if a determination is made jointly by the family independence program case coordinator and the job service specialist that the employment is not reasonably likely to move the enrollee into noncash benefit status within one year. Plan suspension shall not affect the enrollee's right to program benefits or incentive benefits except in accordance with this section. Periodic services shall be offered to enrollees with suspended self-sufficiency plans to assist them to obtain employment reasonably likely to assist them in attaining self-sufficiency. Enrollees who continue employment under a suspended plan for one year shall receive notice within thirty days that they will lose their right to receive family independence program benefits and incentive payments, unless their plan is approved within six months: Provided, That a termination of program benefits and incentive payments shall not result in an enrollee's receiving less assistance than the enrollee would be eligible for under the aid to families with dependent children program.

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

~~((4))~~ (5) 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))~~ (6) 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. 7. 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.

NEW SECTION. Sec. 8. The modifications to the family independence program contained in this act shall be implemented only to the extent permitted by federal law or agreements with the federal government made prior or subsequent to the effective date of this act.

NEW SECTION. Sec. 9. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate March 30, 1990.

Passed the House March 31, 1990.

Approved by the Governor April 2, 1990.

Filed in Office of Secretary of State April 2, 1990.

CHAPTER 7

[Senate Bill No. 6091]

BUDGET STABILIZATION ACCOUNT APPROPRIATION

AN ACT Relating to the budget stabilization account; making an appropriation; and declaring an emergency.

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

NEW SECTION. Sec. 1. The sum of two hundred million dollars is appropriated for the biennium ending June 30, 1991, from the general fund to the state treasurer for immediate transfer to the budget stabilization account pursuant to RCW 43.88.525 and 43.88.530.