
ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1481

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives Cooke, Lambert, Mielke, Van Luven, Elliot, Schoesler, D. Schmidt, Sherstad, Huff, Buck, Clements, McMorris, Johnson, Blanton, Hickel, Boldt, Backlund, Mulliken, Robertson, Goldsmith, L. Thomas, McMahan, Talcott, Cairnes, Thompson, Beeksma, Benton, Foreman, Sehlin, Sheahan and Mitchell)

Read first time 02/22/95.

1 AN ACT Relating to public assistance, including a requirement that
2 caretakers under the aid to families with dependent children program
3 enter into contracts with the state and including additional provisions
4 governing public assistance eligibility and benefits; amending RCW
5 74.12.420, 74.25.020, AND 26.16.205; reenacting and amending RCW
6 74.04.005; adding new sections to chapter 74.12 RCW; creating new
7 sections; and providing an effective date.

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

9 NEW SECTION. **Sec. 1.** A new section is added to chapter 74.12 RCW
10 to read as follows:

11 The legislature finds that lengthy stays on welfare, the inadequate
12 emphasis on employment by the social welfare system, and the lack of
13 personal responsibility by some individuals receiving public assistance
14 are obstacles to achieving economic independence. The legislature
15 further finds that the number of minors having children has increased
16 significantly in recent years and that this increase is in part
17 attributable to the minors' knowing that the government will support
18 them and their children. Therefore, the legislature intends that:

1 (1) Income and employment assistance programs emphasize the
2 temporary nature of welfare and set goals of responsibility, work, and
3 independence;

4 (2) Employment assistance resources focus on employable recipients
5 who are most at risk of a long-term stay on welfare;

6 (3) Caretakers receiving public assistance sign a contract
7 delineating their obligation and responsibility to comply with
8 requirements for work, training, and personal responsibility;

9 (4) Specific time limits for the receipt of public assistance be
10 set for all recipients of aid to families with dependent children; and

11 (5) Unmarried parents who are minors generally will be ineligible
12 for assistance under the aid to families with dependent children
13 program.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.12 RCW
15 to read as follows:

16 (1) A family receiving or applying for assistance under the aid to
17 families with dependent children program is ineligible for continued or
18 new assistance if the caretaker and the department have not entered
19 into a contract satisfying the requirements of this section. For
20 purposes of this section, sections 1 through 5 of this act, and RCW
21 74.12.420, "caretaker" means the parent of the dependent child or
22 children who is head of the household. However, in situations where
23 there are two parents in the household, "caretaker" means that parent
24 who, as a parent, has received assistance under the program for the
25 longest period.

26 (2) The contract shall (a) be entered into by the department and
27 caretaker on a form prescribed by the department; (b) contain a list of
28 the available benefits to which the family is eligible, including
29 referral to available community resources; (c) contain a summary of the
30 responsibilities that the caretaker must exercise for receipt of such
31 benefits, including high school completion or GED programs; (d) contain
32 a statement of the rule in section 3 of this act prohibiting additional
33 assistance for additional children; (e) contain a statement of the
34 rules in section 4 of this act governing the duration of the contract;
35 (f) contain a statement of the rules in section 5 of this act governing
36 the number of monthly payments that may be made during a sixty-month
37 period and authorizing increased earnings; (g) if the caretaker is a
38 minor, contain a statement of the rule in section 6 of this act

1 governing aid with respect to children of unmarried minors; and (h) if
2 the caretaker has been a long-term recipient who might be affected by
3 the rule in RCW 74.12.420 governing long-term recipients, contain a
4 statement of such rule.

5 (3) Caretakers are not required to enter into a contract satisfying
6 the requirements of this act if:

7 (a) The caretaker is incapacitated or needed in the home to care
8 for a member of the household who is incapacitated. The caretaker
9 shall submit documentation of the incapacity indicating the incapacity
10 will last at least ninety days. Such documentation shall be obtained
11 by the caretaker from a health care practitioner regulated under Title
12 18 RCW whose scope of practice includes diagnosis and treatment of the
13 condition purported to cause the incapacity; or

14 (b) The caretaker is needed in the home to care for a child under
15 three. This one-time exemption ends on the child's third birthday and
16 does not apply to any subsequent children.

17 Caretakers under this subsection shall enter into a contract
18 satisfying the requirements of this act if the conditions provided for
19 in this subsection no longer apply. The provisions of section 3 of
20 this act apply to caretakers under this subsection.

21 NEW SECTION. **Sec. 3.** A new section is added to chapter 74.12 RCW
22 to read as follows:

23 The monthly benefit payment for a family shall not be increased as
24 a result of the caretaker's becoming the biological parent of any
25 additional child or children born more than ten months after the
26 effective date of the caretaker's initial application or contract with
27 the department under section 2 of this act. This rule applies
28 regardless of whether the initial contract is no longer effective or
29 whether there exists a new contract or a contract that has been
30 renegotiated and extended under section 4 of this act. Also, it
31 applies only for the sixty-month period beginning with the month in
32 which the first payment was made or under the first contract entered
33 into between the caretaker and the department.

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

36 Unless renegotiated and extended, a contract entered into under
37 section 2 of this act may not last beyond the end of the last day of

1 the sixth calendar month following the month in which the contract was
2 entered into. Such contract may be renegotiated and extended for
3 additional periods of six months if, for each extension, the caretaker
4 requests the extension and the caretaker has complied with the
5 contract, and if all eligibility requirements are satisfied. The
6 department shall notify the caretaker of the need to renegotiate the
7 contract before its expiration. In addition, the department may
8 provide for contract extension for up to a six-month period under
9 limited emergency circumstances specified by the department by rule.

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

12 (1) The number of monthly benefit payments made to a caretaker
13 under contracts entered into under this act shall be limited to not
14 more than twenty-four monthly payments in the sixty-month period
15 beginning with the month in which the first payment was made under the
16 first contract entered into between the caretaker and the department.
17 Monthly benefit payments may be extended for a maximum of six months
18 after such twenty-four monthly payments if:

19 (a) The caretaker is cooperating in the development and
20 implementation of an employability plan while receiving aid to families
21 with dependent children and no present full-time or part-time job is
22 offered;

23 (b) The caretaker is participating in a high school or GED program;
24 or

25 (c) The caretaker is participating in a job specific training
26 program.

27 (2) During any of the last six months of eligibility for a monthly
28 benefit payment, a caretaker may earn up to one hundred percent of the
29 monthly benefit payment without such earnings resulting in any
30 reduction in future monthly benefit payments and any loss of
31 eligibility during any remaining months in the sixty-month period.

32 NEW SECTION. **Sec. 6.** A new section is added to chapter 74.12 RCW
33 to read as follows:

34 A parent under eighteen years of age is ineligible for aid to
35 families with dependent children if the aid would be for any dependent
36 biological child of the parent and if the parent cannot prove that, on
37 the approximate day of conception, the parent was married. This

1 section does not apply with respect to any child born ten or fewer
2 months before the effective date of this section.

3 **Sec. 7.** RCW 74.12.420 and 1994 c 299 s 9 are each amended to read
4 as follows:

5 ~~((The legislature recognizes that long term recipients of aid to
6 families with dependent children may require a period of several years
7 to attain economic self sufficiency. To provide incentives for long-
8 term recipients to leave public assistance and accept paid employment,
9 the legislature finds that less punitive and onerous sanctions than
10 those required by the federal government are appropriate. The
11 legislature finds that a ten percent reduction in grants for long term
12 recipients that may be replaced through earned income is a more
13 positive approach than sanctions required by the federal government for
14 long term recipients who fail to comply with requirements of the job
15 opportunities and basic skills program. A long term recipient shall
16 not be subject to two simultaneous sanctions for failure to comply with
17 the participation requirements of the job opportunities and basic
18 skills program and for exceeding the length of stay provisions of this
19 section.))~~ In addition to the provisions of this section and sections
20 1 through 6 of this act, the following rules apply to caretakers who
21 were recipients under the aid to families with dependent children
22 program before the effective date of this section:

23 (1) After forty-eight monthly benefit payments in ((a)) the
24 preceding sixty-month period, (including any months in such period
25 falling before the effective date of this section) and after each
26 additional twelve monthly benefit payments, the aid to families with
27 dependent children monthly benefit payment shall be reduced by ten
28 percent of the payment standard(~~(, except that after forty-eight~~
29 ~~monthly payments in a sixty-month period, full monthly benefit payments~~
30 ~~may be made)).~~ However, this rule does not apply after such forty-
31 eight monthly benefit payments if:

32 (a) The ((person)) caretaker is incapacitated or is needed in the
33 home to care for a member of the household who is incapacitated;

34 (b) The ((person)) caretaker is needed in the home to care for a
35 child who is under three years of age;

36 (c) There are no adults in the assistance unit;

37 (d) The ((person)) caretaker is cooperating in the development and
38 implementation of an employability plan while receiving aid to families

1 with dependent children and no present full-time, part-time, or unpaid
2 work experience job is offered; or

3 (e) During a month in which a grant reduction would be imposed
4 under this section, the ~~((person))~~ caretaker is participating in an
5 unpaid work experience program.

6 (2) For purposes of determining the amount of the food stamp
7 benefit for recipients subject to benefit reductions provided for in
8 subsection (1) of this section, countable income from the aid to
9 families with dependent children program shall be set at the payment
10 standard.

11 ~~((For purposes of determining monthly benefit payments for two-~~
12 ~~parent aid to families with dependent children households, the length~~
13 ~~of stay criterion will be applied to the parent with the longer history~~
14 ~~of public assistance receipt.)) The provisions of this section
15 requiring reduction of benefits do not apply to reduce benefits for any
16 month falling before July 1996.~~

17 (4) Section 9, chapter 299, Laws of 1994 is of no further effect
18 except as amended by this section and, then, only when this section
19 becomes effective.

20 (5) This section expires on the day when all of section 5 of this
21 act becomes effective.

22 NEW SECTION. Sec. 8. A new section is added to chapter 74.12 RCW
23 to read as follows:

24 (1) The department of social and health services shall adopt rules
25 to carry out the provisions of sections 1 through 6 of this act and RCW
26 74.12.420 and to enforce contracts adopted under section 2 of this act.
27 However, it may not adopt such rules unless it has complied with
28 subsections (2) and (3) of this section.

29 (2) The joint legislative oversight committee, consisting of the
30 house of representatives committee on children and family services and
31 the senate committee on health and long-term care, is created. Within
32 sixty days after the effective date of this section, the department
33 shall submit copies of its proposed rules to the secretary of the
34 senate and the chief clerk of the house of representatives for
35 distribution to the joint committee. The committee shall review the
36 proposed rules and shall provide the department with its objections, if
37 any, to the proposed rules. The committee may not render a decision on
38 a rule unless a quorum is present. A quorum shall consist of at least

1 seventy percent of the members of the committee. Once a quorum is
2 established, a majority of the quorum may render a decision. The
3 committee shall make a decision on the rules within thirty days of the
4 referral by the department.

5 (3) Whenever the committee objects to proposed rules, the committee
6 shall give the department written notice of its findings and reasons
7 therefor. No later than thirty days after receiving such notice, the
8 department shall consider whether to change its proposed rules in
9 accordance with the committee's findings. Any changes to the proposed
10 rules may not be adopted until the proposed rules and the changes have
11 been submitted to the committee and been submitted to the process
12 established in this section.

13 **Sec. 9.** RCW 74.25.020 and 1993 c 312 s 7 are each amended to read
14 as follows:

15 (1) The department of social and health services is authorized to
16 contract with public and private employment and training agencies and
17 other public service entities to provide services prescribed or allowed
18 under the federal social security act, as amended, to carry out the
19 purposes of the jobs training program. The department of social and
20 health services has sole authority and responsibility to carry out the
21 job opportunities and basic skills training program. No contracting
22 entity shall have the authority to review, change, or disapprove any
23 administrative decision, or otherwise substitute its judgment for that
24 of the department of social and health services as to the application
25 of policies and rules adopted by the department of social and health
26 services.

27 ~~(2) ((To the extent feasible under federal law, the department of~~
28 ~~social and health services and all entities contracting with it shall~~
29 ~~give first priority of service to individuals volunteering for program~~
30 ~~participation.~~

31 ~~(3))~~ The department of social and health services shall adopt
32 rules under chapter 34.05 RCW ~~((establishing))~~ that conform to the
33 criteria in federal law for mandatory program participation as well as
34 establish criteria constituting circumstances of good cause for an
35 individual failing or refusing to participate in an assigned program
36 component, or failing or refusing to accept or retain employment.
37 ~~((These))~~ The good cause criteria shall include, but not be limited to,
38 the following circumstances: (a) If the individual is a parent or

1 other relative personally providing care for a child under age six
2 years, and the employment would require the individual to work more
3 than twenty hours per week; (b) if child care, or day care for an
4 incapacitated individual living in the same home as a dependent child,
5 is necessary for an individual to participate or continue participation
6 in the program or accept employment, and such care is not available,
7 and the department of social and health services fails to provide such
8 care; (c) the employment would result in the family of the participant
9 experiencing a net loss of cash income; or (d) circumstances that are
10 beyond the control of the individual's household, either on a short-
11 term or on an ongoing basis.

12 ~~((+4))~~ (3) The department of social and health services shall
13 adopt rules under chapter 34.05 RCW as necessary to effectuate the
14 intent and purpose of this chapter.

15 NEW SECTION. **Sec. 10.** All job search skills training and
16 postsecondary education shall be oriented towards local labor force
17 needs as determined by the department of social and health services in
18 consultation with the local private industry council and the employment
19 security department. Education and skills training shall emphasize
20 basic, secondary, and vocational education. Aid to families with
21 dependent children grants shall be provided to individuals attending a
22 four-year college or university only if it can be demonstrated that it
23 provides the fastest, most efficient, and cost-effective path to
24 employment for a particular recipient.

25 **Sec. 11.** RCW 26.16.205 and 1990 1st ex.s. c 2 s 13 are each
26 amended to read as follows:

27 The expenses of the family and the education of the children,
28 including stepchildren and including any child of whom their minor
29 child is a biological parent, are chargeable upon the property of both
30 husband and wife, or either of them, and they may be sued jointly or
31 separately. When a petition for dissolution of marriage or a petition
32 for legal separation is filed, the court may, upon motion of the
33 stepparent, terminate the obligation to support the stepchildren or
34 children of the stepchildren. The obligation to support stepchildren
35 and children of stepchildren shall cease upon the entry of a decree of
36 dissolution, decree of legal separation, or death. The obligation of
37 a husband and wife to support a child of their minor child terminates

1 when their minor child reaches eighteen years of age. However, this
2 termination rule does not apply in the case of a stepparent provided an
3 earlier termination date under this section.

4 **Sec. 12.** RCW 74.04.005 and 1992 c 165 s 1 and 1992 c 136 s 1 are
5 each reenacted and amended to read as follows:

6 For the purposes of this title, unless the context indicates
7 otherwise, the following definitions shall apply:

8 (1) "Public assistance" or "assistance"«Public aid to persons in
9 need thereof for any cause, including services, medical care,
10 assistance grants, disbursing orders, work relief, general assistance
11 and federal-aid assistance.

12 (2) "Department"«The department of social and health services.

13 (3) "County or local office"«The administrative office for one or
14 more counties or designated service areas.

15 (4) "Director" or "secretary" means the secretary of social and
16 health services.

17 (5) "Federal-aid assistance"«The specific categories of assistance
18 for which provision is made in any federal law existing or hereafter
19 passed by which payments are made from the federal government to the
20 state in aid or in respect to payment by the state for public
21 assistance rendered to any category of needy persons for which
22 provision for federal funds or aid may from time to time be made, or a
23 federally administered needs-based program.

24 (6)(a) "General assistance"«Aid to persons in need who:

25 (i) Are not eligible to receive federal-aid assistance, other than
26 food stamps and medical assistance; however, an individual who refuses
27 or fails to cooperate in obtaining federal-aid assistance, without good
28 cause, is not eligible for general assistance;

29 (ii) Meet one of the following conditions:

30 (A) Pregnant: PROVIDED, That need is based on the current income
31 and resource requirements of the federal aid to families with dependent
32 children program: PROVIDED FURTHER, That during any period in which an
33 aid for dependent children employable program is not in operation, only
34 those pregnant women who are categorically eligible for medicaid are
35 eligible for general assistance; or

36 (B) Subject to chapter 165, Laws of 1992, incapacitated from
37 gainful employment by reason of bodily or mental infirmity that will

1 likely continue for a minimum of ninety days as determined by the
2 department.

3 (C) Persons who are unemployable due to alcohol or drug addiction
4 are not eligible for general assistance. Persons receiving general
5 assistance on July 26, 1987, or becoming eligible for such assistance
6 thereafter, due to an alcohol or drug-related incapacity, shall be
7 referred to appropriate assessment, treatment, shelter, or supplemental
8 security income referral services as authorized under chapter 74.50
9 RCW. Referrals shall be made at the time of application or at the time
10 of eligibility review. Alcoholic and drug addicted clients who are
11 receiving general assistance on July 26, 1987, may remain on general
12 assistance if they otherwise retain their eligibility until they are
13 assessed for services under chapter 74.50 RCW. Subsection
14 (6)(a)(ii)(B) of this section shall not be construed to prohibit the
15 department from granting general assistance benefits to alcoholics and
16 drug addicts who are incapacitated due to other physical or mental
17 conditions that meet the eligibility criteria for the general
18 assistance program;

19 (iii) Are citizens or aliens lawfully admitted for permanent
20 residence or otherwise residing in the United States under color of
21 law; and

22 (iv) Have furnished the department their social security account
23 number. If the social security account number cannot be furnished
24 because it has not been issued or is not known, an application for a
25 number shall be made prior to authorization of assistance, and the
26 social security number shall be provided to the department upon
27 receipt.

28 (b) Notwithstanding the provisions of subsection (6)(a)(i), (ii),
29 and (c) of this section, general assistance shall be provided to the
30 following recipients of federal-aid assistance:

31 (i) Recipients of supplemental security income whose need, as
32 defined in this section, is not met by such supplemental security
33 income grant because of separation from a spouse; or

34 (ii) To the extent authorized by the legislature in the biennial
35 appropriations act, to recipients of aid to families with dependent
36 children whose needs are not being met because of a temporary reduction
37 in monthly income below the entitled benefit payment level caused by
38 loss or reduction of wages or unemployment compensation benefits or
39 some other unforeseen circumstances. The amount of general assistance

1 authorized shall not exceed the difference between the entitled benefit
2 payment level and the amount of income actually received.

3 (c) General assistance shall be provided only to persons who are
4 not members of assistance units receiving federal aid assistance,
5 except as provided in subsection (6)(a)(ii)(A) and (b) of this section,
6 and will accept available services which can reasonably be expected to
7 enable the person to work or reduce the need for assistance unless
8 there is good cause to refuse. Failure to accept such services shall
9 result in termination until the person agrees to cooperate in accepting
10 such services and subject to the following maximum periods of
11 ineligibility after reapplication:

12 (i) First failure: One week;

13 (ii) Second failure within six months: One month;

14 (iii) Third and subsequent failure within one year: Two months.

15 (d) Persons found eligible for general assistance based on
16 incapacity from gainful employment may, if otherwise eligible, receive
17 general assistance pending application for federal supplemental
18 security income benefits. Any general assistance that is subsequently
19 duplicated by the person's receipt of supplemental security income for
20 the same period shall be considered a debt due the state and shall by
21 operation of law be subject to recovery through all available legal
22 remedies.

23 (e) The department shall adopt by rule medical criteria for general
24 assistance eligibility to ensure that eligibility decisions are
25 consistent with statutory requirements and are based on clear,
26 objective medical information.

27 (f) The process implementing the medical criteria shall involve
28 consideration of opinions of the treating or consulting physicians or
29 health care professionals regarding incapacity, and any eligibility
30 decision which rejects uncontroverted medical opinion must set forth
31 clear and convincing reasons for doing so.

32 (g) Recipients of general assistance based upon a finding of
33 incapacity from gainful employment who remain otherwise eligible shall
34 not have their benefits terminated absent a clear showing of material
35 improvement in their medical or mental condition or specific error in
36 the prior determination that found the recipient eligible by reason of
37 incapacitation. Recipients of general assistance based upon pregnancy
38 who relinquish their child for adoption, remain otherwise eligible, and
39 are not eligible to receive benefits under the federal aid to families

1 with dependent children program shall not have their benefits
2 terminated until the end of the month in which the period of six weeks
3 following the birth of the recipient's child falls. Recipients of the
4 federal aid to families with dependent children program who lose their
5 eligibility solely because of the birth and relinquishment of the
6 qualifying child may receive general assistance through the end of the
7 month in which the period of six weeks following the birth of the child
8 falls.

9 (7) "Applicant"«Any person who has made a request, or on behalf of
10 whom a request has been made, to any county or local office for
11 assistance.

12 (8) "Recipient"«Any person receiving assistance and in addition
13 those dependents whose needs are included in the recipient's
14 assistance.

15 (9) "Standards of assistance"«The level of income required by an
16 applicant or recipient to maintain a level of living specified by the
17 department.

18 (10) "Resource"«Any asset, tangible or intangible, owned by or
19 available to the applicant at the time of application, which can be
20 applied toward meeting the applicant's need, either directly or by
21 conversion into money or its equivalent: PROVIDED, That an applicant
22 may retain the following described resources and not be ineligible for
23 public assistance because of such resources.

24 (a) A home, which is defined as real property owned and used by an
25 applicant or recipient as a place of residence, together with a
26 reasonable amount of property surrounding and contiguous thereto, which
27 is used by and useful to the applicant. Whenever a recipient shall
28 cease to use such property for residential purposes, either for himself
29 or his dependents, the property shall be considered as a resource which
30 can be made available to meet need, and if the recipient or his
31 dependents absent themselves from the home for a period of ninety
32 consecutive days such absence, unless due to hospitalization or health
33 reasons or a natural disaster, shall raise a rebuttable presumption of
34 abandonment: PROVIDED, That if in the opinion of three physicians the
35 recipient will be unable to return to the home during his lifetime, and
36 the home is not occupied by a spouse or dependent children or disabled
37 sons or daughters, such property shall be considered as a resource
38 which can be made available to meet need.

1 (b) Household furnishings and personal effects and other personal
2 property having great sentimental value to the applicant or recipient,
3 as limited by the department consistent with limitations on resources
4 and exemptions for federal aid assistance.

5 (c) A motor vehicle, other than a motor home, used and useful
6 having an equity value not to exceed (~~one~~) three thousand (~~five~~
7 ~~hundred~~) dollars.

8 (d) All other resources, including any excess of values exempted,
9 not to exceed one thousand dollars or other limit as set by the
10 department, to be consistent with limitations on resources and
11 exemptions necessary for federal aid assistance. The department shall
12 also allow recipients of aid to families with dependent children to
13 exempt savings accounts with combined balances of up to an additional
14 two thousand five hundred dollars.

15 (e) Applicants for or recipients of general assistance shall have
16 their eligibility based on resource limitations consistent with the aid
17 to families with dependent children program rules adopted by the
18 department.

19 (f) If an applicant for or recipient of public assistance possesses
20 property and belongings in excess of the ceiling value, such value
21 shall be used in determining the need of the applicant or recipient,
22 except that: (i) The department may exempt resources or income when
23 the income and resources are determined necessary to the applicant's or
24 recipient's restoration to independence, to decrease the need for
25 public assistance, or to aid in rehabilitating the applicant or
26 recipient or a dependent of the applicant or recipient; and (ii) the
27 department may provide grant assistance for a period not to exceed nine
28 months from the date the agreement is signed pursuant to this section
29 to persons who are otherwise ineligible because of excess real property
30 owned by such persons when they are making a good faith effort to
31 dispose of that property: PROVIDED, That:

32 (A) The applicant or recipient signs an agreement to repay the
33 lesser of the amount of aid received or the net proceeds of such sale;

34 (B) If the owner of the excess property ceases to make good faith
35 efforts to sell the property, the entire amount of assistance may
36 become an overpayment and a debt due the state and may be recovered
37 pursuant to RCW 43.20B.630;

38 (C) Applicants and recipients are advised of their right to a fair
39 hearing and afforded the opportunity to challenge a decision that good

1 faith efforts to sell have ceased, prior to assessment of an
2 overpayment under this section; and

3 (D) At the time assistance is authorized, the department files a
4 lien without a sum certain on the specific property.

5 (11) "Income"«(a) All appreciable gains in real or personal
6 property (cash or kind) or other assets, which are received by or
7 become available for use and enjoyment by an applicant or recipient
8 during the month of application or after applying for or receiving
9 public assistance. The department may by rule and regulation exempt
10 income received by an applicant for or recipient of public assistance
11 which can be used by him to decrease his need for public assistance or
12 to aid in rehabilitating him or his dependents, but such exemption
13 shall not, unless otherwise provided in this title, exceed the
14 exemptions of resources granted under this chapter to an applicant for
15 public assistance. In determining the amount of assistance to which an
16 applicant or recipient of aid to families with dependent children is
17 entitled, the department is hereby authorized to disregard as a
18 resource or income the earned income exemptions consistent with federal
19 requirements. The department may permit the above exemption of
20 earnings of a child to be retained by such child to cover the cost of
21 special future identifiable needs even though the total exceeds the
22 exemptions or resources granted to applicants and recipients of public
23 assistance, but consistent with federal requirements. In formulating
24 rules and regulations pursuant to this chapter, the department shall
25 define income and resources and the availability thereof, consistent
26 with federal requirements. All resources and income not specifically
27 exempted, and any income or other economic benefit derived from the use
28 of, or appreciation in value of, exempt resources, shall be considered
29 in determining the need of an applicant or recipient of public
30 assistance.

31 (b) If, under applicable federal requirements, the state has the
32 option of considering property in the form of lump sum compensatory
33 awards or related settlements received by an applicant or recipient as
34 income or as a resource, the department shall consider such property to
35 be a resource.

36 (12) "Need"«The difference between the applicant's or recipient's
37 standards of assistance for himself and the dependent members of his
38 family, as measured by the standards of the department, and value of

1 all nonexempt resources and nonexempt income received by or available
2 to the applicant or recipient and the dependent members of his family.

3 (13) For purposes of determining eligibility for public assistance
4 and participation levels in the cost of medical care, the department
5 shall exempt restitution payments made to people of Japanese and Aleut
6 ancestry pursuant to the Civil Liberties Act of 1988 and the Aleutian
7 and Pribilof Island Restitution Act passed by congress, P.L. 100-383,
8 including all income and resources derived therefrom.

9 (14) In the construction of words and phrases used in this title,
10 the singular number shall include the plural, the masculine gender
11 shall include both the feminine and neuter genders and the present
12 tense shall include the past and future tenses, unless the context
13 thereof shall clearly indicate to the contrary.

14 NEW SECTION. **Sec. 13.** Except as expressly provided to the
15 contrary under chapter . . . , Laws of 1995 (this act), the provisions
16 of chapter . . . , Laws of 1995 (this act) shall be prospective only.

17 NEW SECTION. **Sec. 14.** (1) This section shall become effective
18 ninety consecutive days after adjournment of the session at which this
19 act is enacted.

20 (2) Within one hundred twenty consecutive days after adjournment of
21 the session at which this act is enacted, the governor, with the advice
22 of the attorney general, shall determine which, if any, provisions of
23 this act probably would be found to "conflict with federal
24 requirements" under section 15 of this act. Within one hundred fifty
25 consecutive days after adjournment of the session at which this act is
26 enacted, the governor shall formally request the appropriate federal
27 entities or officials to take whatever federal government action (such
28 as an exemption, waiver, amendment, or other form of law or policy
29 change) that is necessary for the provision or provisions not to
30 conflict with such federal requirements.

31 (3) Any provision of this act that requires federal government
32 action in order to avoid a "conflict with federal requirements" under
33 section 15 of this act shall become effective on the thirtieth
34 consecutive day following the effective date of the action. The rule
35 in this subsection applies to any action eliminating the conflict,
36 regardless of whether the action is requested under subsection (2) of
37 this section.

1 (4) The provisions of this act that do not require federal action
2 in order to avoid a "conflict with federal requirements" under section
3 15 of this act shall become effective on the one hundred fiftieth
4 consecutive day after adjournment of the session at which this act is
5 enacted.

6 (5) Those provisions of section 2 of this act not requiring federal
7 action, and therefore effective on the one hundred fiftieth consecutive
8 day following adjournment, shall be applied in the following manner to
9 caretakers receiving assistance on such effective date: The department
10 of social and health services shall provide such caretakers with the
11 opportunity to contract under section 2 of this act. They shall not be
12 considered ineligible as a result of section 2 of this act until they
13 have had this opportunity. This subsection does not affect in any
14 manner whatsoever any caretaker's eligibility, or ineligibility, for
15 continued assistance under any other law or administrative rule.

16 (6) The governor may delegate any of the governor's duties under
17 this section to the secretary of the department of social and health
18 services.

19 NEW SECTION. **Sec. 15.** If any part of this act is found to be in
20 conflict with federal requirements that are a prescribed condition to
21 the allocation of federal funds to the state, the conflicting part of
22 this act is inoperative solely to the extent of the conflict and with
23 respect to the agencies directly affected, and this finding does not
24 affect the operation of the remainder of this act in its application to
25 the agencies concerned. The rules under this act shall meet federal
26 requirements that are a necessary condition to the receipt of federal
27 funds by the state. This term "allocation of federal funds to the
28 state" means the allocation of federal funds that are appropriated by
29 the legislature to the department of social and health services and on
30 which the department depends for carrying out any provision of the
31 operating budget applicable to it.

32 NEW SECTION. **Sec. 16.** The governor shall report quarterly to the
33 appropriate committees in the house of representatives and senate on
34 the efforts to secure the federal changes to permit full implementation
35 of this act at the earliest possible date.

1 NEW SECTION. **Sec. 17.** (1) By January 1, 1996, the legislative
2 budget committee shall submit to the legislature an evaluation plan
3 satisfactory to the federal government, including a plan for analysis,
4 within available funds, of:

5 (a) The costs and effectiveness of this act;

6 (b) The extent to which work and job training opportunities have
7 led to employment and economic independence;

8 (c) The extent to which support services have been provided for
9 such work and job training opportunities;

10 (d) The impact of employment and job training on the well-being of
11 the children and families of caretakers.

12 (2) The legislative budget committee shall cause the evaluation
13 plan to be implemented as approved by the legislative budget committee
14 in a manner that will insure the independence of the evaluation through
15 appropriate arrangements, which may include contracts, with objective
16 evaluators. The evaluation plan and all evaluation products shall
17 receive the review and comment of evaluation advisory groups to be
18 convened by the Washington institute of public policy and which include
19 representatives of the executive committee, appropriate legislative
20 committee staffs, persons from the state's higher education
21 institutions, staff members of the department and the employment
22 security department, recipients, and former recipients. The reviews
23 shall consider relevance to state policy and budget concerns,
24 methodological procedure, implementation, and results.

25 (3) The first report of this evaluation shall be submitted to the
26 legislature no later than December 1, 1997, and annually thereafter,
27 with a final report due no later than November 15, 2001.

28 NEW SECTION. **Sec. 18.** If any provision of this act or its
29 application to any person or circumstance is held invalid, the
30 remainder of the act or the application of the provision to other
31 persons or circumstances is not affected.

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