

HOUSE BILL REPORT

HB 1481

As Reported By House Committee On:
Children & Family Services
Appropriations

Title: An act relating to public assistance, including a requirement that caretakers under the aid to families with dependent children program enter into contracts with the state and including additional provisions governing public assistance eligibility and benefits.

Brief Description: Requiring AFDC contracts and making additional changes in public assistance laws.

Sponsors: 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.

Brief History:

Committee Activity:

Children & Family Services: 1/12/95, 1/13/95, 1/19/95, 1/31/95 [DPS];
Appropriations: 2/15/95, 2/20/95 [DP2S(w/o sub CFS)].

HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Cooke, Chair; Lambert, Vice Chair; Stevens, Vice Chair; Boldt; Buck; Carrell and Padden.

Minority Report: Do not pass. Signed by 4 members: Representatives Thibaudeau, Ranking Minority Member; Brown, Assistant Ranking Minority Member; Patterson and Tokuda.

Staff: David Knutson (786-7146).

Background: The Aid to Families with Dependent Children program provides cash grants, medical assistance, and education and work training services for households with children under age 18, children age 18 attending school and expected to graduate from school by age 19, and the needy caretaker relatives of these children. Currently, when children and their needy caretaker relative are determined eligible for the program there are no limits to the time they can receive assistance as long as they

continue to meet income, resource, and related eligibility standards. If recipients of Aid to Families with Dependent Children become pregnant, their monthly grant is increased to reflect the increased size of the household. The federal government establishes rules the state of Washington operates under in carrying out the Aid to Families with Dependent Children program. The federal government permits the state of Washington to operate the Aid to Families with Dependent Children program with different requirements and standards if the state requests and receives a waiver from the Department of Health and Human Services of applicable federal rules and requirements.

Summary of Substitute Bill: The caretaker in a household receiving Aid to Families with Dependent Children will be required to sign a contract as a condition for receiving assistance under the program. The caretaker will be eligible to receive a maximum of 24 monthly benefit payments in a 60-month period. During the final six months of eligibility the caretaker may earn up to 100 percent of his or her monthly benefit payment and not have the monthly benefit payment reduced. Exemptions to the 24 monthly benefit payment limit are provided for caretakers who are incapacitated, caring for an incapacitated person or child under three, cooperating in an employability plan or participating in unpaid work experience. The monthly benefit payment will not be increased for a caretaker who becomes the biological parent of a child more than 10 months after the effective date of the caretaker's initial contract.

A parent under age 18 who was unmarried on the approximate day of conception is ineligible for Aid to Families with Dependent Children. This restriction does not apply to children born 10 or fewer months before the effective date of this provision. If the 24 month benefit limit is not enacted, recipients of Aid to Families with Dependent Children who have received monthly benefits for 48 out of 60 months will have their monthly benefit payments reduced by 10 percent. One parent in a two parent family receiving Aid to Families with Dependent Children will be required to participate in a community work experience program for 32 hours per week and job search activities for eight hours per week unless they are working 20 hours or more per week. The first reductions related to this provision will be applied beginning July 1996.

The value of a motor vehicle an applicant or recipient of Aid to Families with Dependent Children may own is increased from \$1,500 to \$3,000. Recipients may keep an additional \$2,500 in savings accounts and retain their eligibility for Aid to Families with Dependent Children. The Department of Social and Health Services is authorized to promulgate rules to implement the provisions of this legislation. Rules promulgated by the Department of Social and Health Services to implement the provisions of this act will be submitted to the Legislature and will not become effective until 30 days following the submission. The Governor is required to request appropriate federal approval for all provisions requiring action by the federal

government. The Governor will report quarterly on his efforts to secure federal action to the appropriate legislative committees.

Substitute Bill Compared to Original Bill: The incapacity which exempts a caretaker from the 24 monthly payments limit must be supported by competent medical evidence and be expected to last at least 30 days. An additional exemption is added for caretakers who participate in a high school, GED, or job specific education and training program. Recipients of Aid to Families with Dependent Children who lose their eligibility because of marriage will be provided a six-month transition period during which they will receive a declining proportion of their grant and full medical coverage. The exemption for two parent families receiving Aid to Families with Dependent Children from the community work experience program is changed from full or part time work to working at least 20 hours per week. Rules promulgated by the Department of Social and Health Services to implement to the provisions of the act will be submitted to a joint legislative oversight committee.

Appropriation: None.

Fiscal Note: Available on HB 1025. Fiscal note on HB 1481 requested on January 27, 1995.

Effective Date of Substitute Bill: Sections 7(4) and 14 are effective 90 days after adjournment of session in which bill is passed. The provisions of the legislation which do not require federal approval will become effective 150 days after adjournment of the session in which the legislation is enacted. The provisions of the legislation which do require federal approval will become effective 30 days following the appropriate federal approval.

Testimony For: (on HB 1025) The welfare system must develop the concept of personal responsibility for people who receive public assistance. Public assistance should not be an open ended entitlement. Time limits are appropriate to focus people's attention on leaving assistance and getting a job. Welfare currently provides people with incentives to stay on welfare, not leave welfare. Unmarried teenagers who become pregnant should not be rewarded by receiving welfare benefits.

Testimony Against: (on HB 1025) Time limits which provide no exemptions will hurt all welfare recipients, even people who are trying to leave welfare through education or job preparation activities. Children will be hurt by the arbitrary cut off or denial of welfare benefits to their parents. Not increasing welfare benefits when a women has a baby while receiving welfare will punish an innocent child. Denying welfare benefits to unmarried teenagers may increase the number of abortions performed on teenagers.

Testified: (on HB 1025) Rita Drohman (pro); Lea Higashi (con); Gwen Orwiler, Fair Budget Action (con); Pari Johnson (pro); Sylviann Frankus (con); Lynn Roberts, DSHS-WA Women's Employment & Education (pro on intent); David Curry (pro); Marsha Darrah (con); Bobbi Beaudreau (con); David and Sue Ann Lawson (pro); Ned Molejsi (concerns); Dan Comsia (con); Jan Jackson (con); Phyllis Shrauger, Mayor of Hoquiam (concerns); Harla Tumbleson, Head Start (con); Jim Capen (con); and Laurie Dils (concerns); Cheryl Sabin (con); Janet Adams, Washington Assembly for Citizens with Disabilities (concerns); Lonnie Johns-Brown, WWU (concerns); Linsey Hinand, Washington State Community Action Metro Development Council (concerns); Majken Ryherd Keira, Washington State Association of Community Action Agencies (concerns); Don Knapp, Foster Parents Association of Washington State (con); Bob Williams, Evergreen Freedom Foundation (pro); Leona and Tina Higashi (con); Cathy Peters, Catholic Community Services (concerns); Gary Towe, Human Services Roundtable (concerns); Gary Benton, Crista Ministries (concerns); David Hancock, Life Center (pro); and Bill Harrington, American Fathers Coalition (concerns).

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Children & Family Services. Signed by 16 members: Representatives Silver, Chairman; Clements, Vice Chairman; Huff, Vice Chairman; Pelesky, Vice Chairman; Brumsickle; Carlson; Chappell; Cooke; Crouse; Foreman; Hargrove; Lambert; McMorris; Sehlin; Sheahan and Talcott.

Minority Report: Do not pass. Signed by 6 members: Representatives Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Poulsen; Rust; Thibaudeau and Wolfe.

Staff: David Knutson (786-7146).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Children & Family Services: Caretakers who are incapacitated or caring for an incapacitated person or are caring for a child under three are exempted from signing a contract with the Department of Social and Health Services or being subject to time limits. A caretaker participating in a job specific training program is provided a six month extension of the 24 month time limit. The six month transition period for recipients of aid to families with dependent children who lose their eligibility due to marriage is deleted. Parents in two parent households receiving aid to families with dependent children are required to find their own community work experience, keep track of their own hours, and report their activities to the Department of Social and Health Services at their contract renegotiation

meeting. The Job Opportunities and Basic Skills Program will be operated as a mandatory program conforming to criteria in federal law. Job search skills training and postsecondary education will be oriented towards local labor force needs. Recipients of aid to families with dependent children will be allowed to attend a four year college or university only if it provides the fastest, most efficient, and cost-effective path to employment. The Legislative Budget Committee will submit an evaluation plan to the Legislature by January 1, 1996. The evaluation plan will provide for an independent evaluation of the provisions of the welfare reform proposals.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 21, 1995.

Effective Date: Section 14 is effective 90 days after adjournment of session in which bill is passed. The provisions of the legislation which do not require federal approval will become effective 150 days after adjournment of the session in which the legislation is enacted. The provisions of the legislation which do require federal approval will become effective 30 days following the appropriate federal approval.

Testimony For: None.

Testimony Against: Time limits on public assistance will hurt people who need assistance. Any savings generated by this legislation will be at the expense of poor children and families. This legislation will shift the cost of caring for poor children and their families to local government. There is currently a lack of child care and housing for poor children and their families.

Testified: Ned Dolesji, Washington Catholic Conference; Linsey Hinand and Lee Tickell, Washington Association of Community Action Agencies; Ann Simons, Washington Women United; Susan Crowley, City of Seattle; and Lonnie Johns-Brown, National Organization of Women (concerns).