

HOUSE BILL REPORT

E2SHB 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: 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).

Brief History:

Committee Activity:

Children & Family Services: 1/9/96, 1/11/96, 1/12/96 [DP3S];
Appropriations: 1/17/96, 1/29/96 [DP4S].

HOUSE COMMITTEE ON CHILDREN & FAMILY SERVICES

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

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

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 relatives are determined eligible

for the program, they may receive 48 full monthly benefit payments in a 60-month period, as long as they continue to meet income, resource, and related eligibility standards. If a recipient of Aid to Families with Dependent Children becomes pregnant, the monthly grant is increased to reflect the increased size of the household. The federal government establishes rules under which the state of Washington operates 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. Congress and the White House are currently involved in negotiations to alter the current Aid to Families with Dependent Children program substantially. The Department of Social and Health Services is required by law to collect all overpayments made to recipients, regardless of who caused the overpayment. The courts have held that absent specific legislative intent, recipients should be allowed to use the defense of equitable estoppel when the department causes an overpayment. Benefits under the Aid to Families with Dependent Children program are entitlements to the individuals determined eligible for the program.

Summary of Engrossed Second 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 full monthly benefit payments and an additional 18 partial monthly benefit payments, if all eligibility conditions are met. Caretakers are eligible to earn and keep the equivalent of 50 percent of the payment standard during each month they receive assistance. 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. The Department of Social and Health Services will contract for all functions of the Jobs Opportunities and Basic Skills training program not specifically prohibited by federal law. The defense of equitable estoppel is not available to applicants for or recipients of public assistance in adjudicative proceedings.

The department will operate an employment child care program for low-income working parents. The department will reduce cash grants to recipients of Aid to Families with Dependent Children by 9 percent and shift the resulting money to purchase work and employment training and child care for recipients. 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 \$5,000. Recipients may keep an additional \$3,000 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 prior to their adoption. There is no individual entitlement for public assistance.

Third Substitute Bill Compared to Engrossed Second Substitute Bill: The time limits for the receipt of Aid to Families with Dependent Children are changed from 48 monthly benefit payments in a 60-month period to 24 monthly benefit payments with a possible 18 additional monthly benefits payments in an individual's lifetime. The department is directed to operate an employment child care program. The department will also reduce cash grants by 9 percent and shift the resulting funds to work and training related support services and child care for caretakers. The ability to earn up to 100 percent of his or her monthly benefit payment in the final six months of eligibility and not have the monthly benefit payment reduced is removed and replaced with the ability to earn up to 50 percent of the payment standard during every month on assistance. Exemptions to the time limits are no longer provided for caretakers cooperating in an employability plan or who are victims of domestic violence. The entitlement to public assistance is removed from statute.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested January 8, 1996.

Effective Date of Third Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: 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 live with their parents or in programs licensed by the Department of Social and Health Services.

Testimony Against: 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 woman has a baby while receiving welfare will punish an innocent child. There is currently a lack of child care and housing for poor children and their families.

Testified: (Pro) Representative Gary Chandler; Priscilla Martin, Washington Evangelical for Responsible Government; Bill Harrington, American Fathers; Mark Howard, World Vision; Jeff Kemp, Washington Family Council; Lisa Chandler, citizen; Leonard Sanderson, Mayor of Milton; and Bob Williams, Evergreen Freedom Foundation.

(Neutral) Carolyn Logue, NFIB; Don Knapp, Foster Parents Association; and Frank Forrest, Chair of Washington State Apprenticeship Council.

(With concerns) Michael Doctor, Coalition for a Jewish Voice; Laurie Lippold, Children's Home Society; and Mark McDermott, Department of Social and Health Services.

(Con) George LeClair, The Children's Alliance; Donna Fish, Scriber Lake High School; Leticia Upchurch, Solo Parenting Alliance; Joe Valentino, Snohomish Community Services; Charlie Langdon, Washington Families; Jamaica Filgo, Washington Families; and Cecila Coland, Collins High School.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The fourth substitute bill be substituted therefor and the fourth substitute bill do pass. Signed by 18 members: Representatives Huff, Chairman; Clements, Vice Chairman; Pelesky, Vice Chairman; Beeksma; Brumsickle; Carlson; Cooke; Crouse; Dyer; Foreman; Hargrove; Lambert; McMorris; Reams; Sehlin; Sheahan; Silver and Talcott.

Minority Report: Do not pass. Signed by 9 members: Representatives H. Sommers, Ranking Minority Member; Valle, Assistant Ranking Minority Member; Basich; Chappell; Jacobsen; Kessler; Linville; Rust and Wolfe.

Staff: Beth Redfield (786-7130).

Summary of Recommendation of Committee on Appropriations Compared to Recommendation of Committee on Children & Family Services: The fourth substitute bill applies the limitation on additional assistance for additional children to all caretakers, including those exempt from signing contracts and from the time limit; requires the Department of Social and Health Services (DSHS) to "pass through" child support for additional children who are not in the assistance unit, which income will not be considered when determining need; extends the current law rule regarding the amount of earnings an individual may keep (\$30 and one-third of the remainder) for the entire time a person is on public assistance; applies the minor parent provisions to the General Assistance for Pregnant Women (GA-S) program; and increases the age of the youngest child from six months to two years for which a caretaker may be exempt from signing a contract and mandatory participation in the Job Opportunities and Basic Skill (JOBS) program.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Fourth Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: The state should wait for federal changes before making changes to the state program. Family caps and time limits punish children. The displaced workers in Grays Harbor County did not choose to go on Aid to Families with Dependent Children program (AFDC). People in rural areas will have difficulty finding jobs. The state needs to recognize the long-term costs of women remaining in abusive marriages. There will be an increase in homelessness; the 9 percent benefit cut is drastic. The changes will adversely effect children’s ability to learn and their basic health. There needs to be exceptions from the minor parent provisions for teen parents with no parental support. Churches and local governments cannot absorb the costs.

Testified: Jan Jackson, Harbor Churches Community Outreach; Sennie Rycks, Welfare Rights; Pamela Dunn, Fair Budget; Richard Thine, Tacoma/Pierce Welfare Rights; Liz Dunbar, Department of Social and Health Services; Karen Verrill, League of Women Voters of Washington; Mark McDermott, Department of Social and Health Services; Susan Crowley, City of Seattle; Kathleen Russell, Washington Association of Churches; and Mike Fitzpatrick, Children’s Home Society of Washington.