

SENATE BILL REPORT

SB 5576

As Reported By Senate Committee On:
Human Services & Corrections, February 22, 2001
Ways & Means, March 22, 2001

Title: An act relating to the simplification of public assistance asset tests.

Brief Description: Simplifying asset tests.

Sponsors: Senator Hargrove; by request of Governor Locke.

Brief History:

Committee Activity: Human Services & Corrections: 2/16/01, 2/22/01 [DPS-WM].
Ways & Means: 3/6/01, 3/22/01 [DP2S].

SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

Majority Report: That Substitute Senate Bill No. 5576 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Hargrove, Chair; Costa, Vice Chair; Carlson, Franklin, Hewitt, Kastama, Kohl-Welles, Long and Stevens.

Staff: Robert Antanaitis (786-7452)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5576 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Brown, Chair; Constantine, Vice Chair; Fairley, Vice Chair; Fraser, Hewitt, Honeyford, Kline, Kohl-Welles, Long, Parlette, Rasmussen, Regala, Roach, Rossi, Sheahan, B. Sheldon, Snyder, Spanel, Thibaudeau, Winsley and Zarelli.

Staff: Brian Sims (786-7431)

Background: Before a person can receive public assistance, the Department of Social and Health Services (DSHS) must administer a resource and income test in order to determine his or her eligibility. Once a person begins receiving public assistance, DSHS periodically performs asset tests to ensure that the person receiving assistance is still eligible.

Under RCW 74.04.005, a resource is defined as any asset owned by or available to an applicant for public assistance at the time of application which can be applied toward meeting the applicant's need, either directly or by conversion into money or its equivalent.

DSHS may limit the amount of resources an applicant may retain and still be eligible for public assistance. If it does so, certain resources are exempt from this limit including: a

home, household furnishings, a motor vehicle, savings accounts, and personal effects. If an applicant for, or recipient of, public assistance possesses property and belongings in excess of this limit, the excess is used in determining the need of the person, unless certain exemptions apply.

Concerns have been expressed that the current asset test procedures and requirements are costly to administer and are a significant burden to persons who are either applying for or receiving public assistance.

Summary of Second Substitute Bill: The definition of resource is broadened to include recipients of public assistance as well as applicants. Income is defined as salary, wages, interest, dividends, other earnings, and unearned income as defined for the purposes of federal assistance programs.

The motor vehicle exemption is no longer limited to \$5,000. The \$3,000 savings account exemption for recipients of temporary assistance for needy families is eliminated. The exemption for all other resources is increased from \$1,000 to \$4,000.

Exemptions for income are no longer limited by a person's resource exemptions.

Second Substitute Bill Compared to Substitute Bill: A technical change to a definition and a clarification of an exemption are made.

Substitute Bill Compared to Original Bill: Resource is no longer defined as cash and other assets readily convertible to cash. DSHS is no longer required to set a maximum resource limit. The resource exemptions are reinstated. The definition of income is changed. Language affecting how grants are distributed through the Office of Child Care Policy has been removed.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: Public assistance asset tests need to be changed in a way that simplifies them without changing who is eligible. Current eligibility requirements are too complex, and the standards are different from one program to another. Simplifying the asset tests and making them consistent among the various public assistance programs will cut costs, improve service, and help families.

Testimony Against: None.

Testified: Ken Miller, Office of Financial Management (pro); John Atherton, Department of Social and Health Services (pro); Sara Merten, Washington Association of Churches (pro).