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HOUSE BILL 1436

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State of Washington                      52nd Legislature                      1991 Regular Session

By Representatives Moyer, Leonard, P. Johnson, Brough, Winsley, Dellwo, Wood, Morris, Forner, Spanel, Mitchell, Franklin, Paris, Heavey, Betrozoff, Ferguson, Nelson, Holland, Roland, Bowman, Rasmussen, Beck, Belcher, Cole, Cantwell, Zellinsky, H. Myers, Basich, R. Johnson, Jacobsen, Peery, Phillips, Van Luven, Wang, Wineberry, Hine, Anderson, Prentice, Pruitt, Brekke, Kremen, Hargrove, Ogden, R. Fisher, Sheldon, Ebersole, R. King, Scott, Fraser and Miller.

Read first time January 29, 1991. Referred to Committee on Human Services\Appropriations.

1            AN ACT Relating to public assistance; amending RCW 74.04.005 and  
2 74.04.770; adding new sections to chapter 74.04 RCW; creating new  
3 sections; providing an effective date; and declaring an emergency.

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

5            NEW SECTION.    **Sec. 1.**            The legislature finds that nearly a  
6 quarter of Washington's children are living in poverty. Immediate  
7 measures must be taken to prevent a disproportionate number of these  
8 children from manifesting social disorders, health problems, and low  
9 educational achievement. The legislature finds that the following  
10 solutions are required to combat specific problems:

11            (1) The families of poor children have experienced a severe erosion  
12 in purchasing power over the past decade because income assistance  
13 grants do not reflect actual minimal living costs. The legislature  
14 intends to enhance the purchasing power of these families by increasing  
15 the grant standard, which will not only alleviate the suffering of

1 children living in poverty, but will also have a beneficial impact on  
2 the state's economy.

3 (2) The current state welfare system requires a reduction in grant  
4 standards when income is received. In most cases, family income is  
5 limited to levels substantially below the standard of need. This is a  
6 strong disincentive to work. To remove this disincentive, the  
7 legislature intends to allow families to retain a greater percentage of  
8 income before it results in the reduction or termination of benefits.

9 (3) Recipients of aid to families with dependent children have  
10 suffered up to a two-month lag in receiving an assistance increase when  
11 they have suffered reduced or lost wages. This deters recipients from  
12 entering the work force. The state intends to provide these recipients  
13 with increased assistance within fifteen days of the request.

14 (4) Some high school students have been dropped from aid to  
15 families with dependent children and forced to go to work prior to  
16 finishing high school or completing vocational training. This  
17 negatively impacts their long-term job prospects and increases the  
18 likelihood they will need future income assistance. The state intends  
19 to continue benefit levels for students until their studies can  
20 reasonably be completed, using federally matched benefits when  
21 possible.

22 NEW SECTION. **Sec. 2.** The department shall establish the grant  
23 standard for all income assistance programs as a percentage of the  
24 standard of need established under RCW 74.04.770. "Grant standard"  
25 means the amount, varied by assistance unit size, that a family with no  
26 countable income receives. The grant standard shall not be less than  
27 sixty percent of the standard of need by June 30, 1993. The grant  
28 standard shall not be less than sixty-five percent of the standard of  
29 need by June 30, 1995. The grant standard shall not be less than

1 seventy percent of the standard of need by June 30, 1997. The grant  
2 standard shall not be less than seventy-five percent of the standard of  
3 need by June 30, 1999. The grant standard shall not be less than  
4 eighty percent of the standard of need by June 30, 2001. The grant  
5 standard shall not be less than eighty-five percent of the standard of  
6 need by June 30, 2003. The grant standard shall not be less than  
7 ninety percent of the standard of need by June 30, 2005. The grant  
8 standard shall not be less than ninety-five percent of the standard of  
9 need by June 30, 2007. The grant standard shall not be less than one  
10 hundred percent of the standard of need by June 30, 2009.

11 NEW SECTION. **Sec. 3.** The maximum reduction from the need  
12 standard that may be imposed by the department by means of a ratable  
13 reduction or grant maximum shall not exceed fifteen percent of the  
14 grant standard for all income assistance programs. Prior to imposing  
15 any such reduction, the department shall report to the appropriate  
16 committees of the legislature the nature of the problem that requires  
17 such reduction and all alternative solutions that were considered and  
18 rejected.

19 NEW SECTION. **Sec. 4.** Grant payments to recipients of aid to  
20 families with dependent children shall be reduced to offset income only  
21 to the extent that countable income and child support received,  
22 together with the grant payment, exceed one hundred fifteen percent of  
23 the grant standard.

24 **Sec. 5.** RCW 74.04.005 and 1990 c 285 s 2 are each amended to read  
25 as follows:

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

1 (1) "Public assistance" or "assistance"--Public aid to persons in  
2 need thereof for any cause, including services, medical care,  
3 assistance grants, disbursing orders, work relief, general assistance  
4 and federal-aid assistance.

5 (2) "Department"--The department of social and health services.

6 (3) "County or local office"--The administrative office for one or  
7 more counties or designated service areas.

8 (4) "Director" or "secretary" means the secretary of social and  
9 health services.

10 (5) "Federal-aid assistance"--The specific categories of assistance  
11 for which provision is made in any federal law existing or hereafter  
12 passed by which payments are made from the federal government to the  
13 state in aid or in respect to payment by the state for public  
14 assistance rendered to any category of needy persons for which  
15 provision for federal funds or aid may from time to time be made, or a  
16 federally administered needs-based program.

17 (6) (a) "General assistance"--Aid to persons in need who are:

18 (i) (~~Are~~) Not eligible to receive federal-aid assistance, other  
19 than food stamps and medical assistance; however, an individual who  
20 refuses or fails to cooperate in obtaining federal-aid assistance,  
21 without good cause, is not eligible for general assistance;

22 (ii) (~~Are either:~~) (A) Pregnant: PROVIDED, That need is based on  
23 the current income and resource requirements of the federal aid to  
24 families with dependent children program: PROVIDED FURTHER, That  
25 during any period in which an aid for dependent children employable  
26 program is not in operation, only those pregnant women who are  
27 categorically eligible for medicaid are eligible for general  
28 assistance; (~~or~~)

29 (B) Children residing in the home of a court-appointed legal  
30 guardian who are: (I) Under the age of eighteen, or (II) under twenty

1 years of age and full-time students reasonably expected to complete a  
2 program of secondary school, or the equivalent level of vocational or  
3 technical training, before the end of the month in which they reach age  
4 twenty. Eligibility, except the requirement to live with a relative of  
5 specified degree, shall be based on the current requirements of the  
6 federal aid to families with dependent children program, and need shall  
7 be based on the current income and resource requirements of the federal  
8 aid to families with dependent children program. Assistance shall be  
9 provided on behalf of the child or children only;

10 (C) Under twenty years of age and ineligible for aid to families  
11 with dependent children solely due to federal age requirements, and are  
12 full-time students reasonably expected to complete a program of  
13 secondary school or the equivalent level of vocational or technical  
14 training before the end of the month in which the person reaches  
15 twenty. For purposes of determining payment amount, the student shall  
16 be considered a member of the aid to families with dependent children  
17 household of which the student would be a member but for the federal  
18 age requirement. The financial assistance shall also include a portion  
19 to meet the needs of the student's needy caretaker relative if the  
20 needs are not otherwise considered in an aid to families with dependent  
21 children or family independence program grant provided to the  
22 household; or

23 (D) Incapacitated from gainful employment by reason of bodily or  
24 mental infirmity that will likely continue for a minimum of sixty days  
25 as determined by the department. Persons who are unemployable due to  
26 alcohol or drug addiction are not eligible for general assistance.  
27 Persons receiving general assistance on July 26, 1987, or becoming  
28 eligible for such assistance thereafter, due to an alcohol or drug-  
29 related incapacity, shall be referred to appropriate assessment,  
30 treatment, shelter, or supplemental security income referral services

1 as authorized under chapter 74.50 RCW. Referrals shall be made at the  
2 time of application or at the time of eligibility review. Alcoholic  
3 and drug addicted clients who are receiving general assistance on July  
4 26, 1987, may remain on general assistance if they otherwise retain  
5 their eligibility until they are assessed for services under chapter  
6 74.50 RCW. This subsection (6)(a)(ii)((+B))(D) shall not be construed  
7 to prohibit the department from granting general assistance benefits to  
8 alcoholics and drug addicts who are incapacitated due to other physical  
9 or mental conditions that meet the eligibility criteria for the general  
10 assistance program;

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

14 (iv) Have furnished the department their social security account  
15 number. If the social security account number cannot be furnished  
16 because it has not been issued or is not known, an application for a  
17 number shall be made prior to authorization of assistance, and the  
18 social security number shall be provided to the department upon  
19 receipt.

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

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

26 (ii) ~~((To the extent authorized by the legislature in the biennial  
27 appropriations act, to))~~ Recipients of aid to families with dependent  
28 children whose needs are not being met because of a temporary reduction  
29 in monthly income below the entitled benefit payment level caused by  
30 loss or reduction of wages or unemployment compensation benefits or

1 some other unforeseen circumstances. The amount of general assistance  
2 authorized shall not exceed the difference between the entitled benefit  
3 payment level and the amount of income actually received. Payment  
4 shall be made within fifteen days of the request.

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

14 (i) First failure: One week;

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

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

17 (d) The department shall adopt by rule medical criteria for general  
18 assistance eligibility to ensure that eligibility decisions are  
19 consistent with statutory requirements and are based on clear,  
20 objective medical information.

21 (e) The process implementing the medical criteria shall involve  
22 consideration of opinions of the treating or consulting physicians or  
23 health care professionals regarding incapacity, and any eligibility  
24 decision which rejects uncontroverted medical opinion must set forth  
25 clear and convincing reasons for doing so.

26 (f) Recipients of general assistance based upon a finding of  
27 incapacity from gainful employment who remain otherwise eligible shall  
28 not have their benefits terminated absent a clear showing of material  
29 improvement in their medical or mental condition or specific error in  
30 the prior determination that found the recipient eligible by reason of

1 incapacitation. Recipients of general assistance based upon pregnancy  
2 who remain otherwise eligible and who are not eligible to receive  
3 benefits under the federal aid to families with dependent children  
4 program shall not have their benefits terminated until six weeks  
5 following the birth of the recipient's child.

6 (7) "Applicant"--Any person who has made a request, or on behalf of  
7 whom a request has been made, to any county or local office for  
8 assistance.

9 (8) "Recipient"--Any person receiving assistance and in addition  
10 those dependents whose needs are included in the recipient's  
11 assistance.

12 (9) "Standards of assistance"--The level of income required by an  
13 applicant or recipient to maintain a level of living specified by the  
14 department.

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

21 (a) A home, which is defined as real property owned and used by an  
22 applicant or recipient as a place of residence, together with a  
23 reasonable amount of property surrounding and contiguous thereto, which  
24 is used by and useful to the applicant. Whenever a recipient shall  
25 cease to use such property for residential purposes, either for himself  
26 or his dependents, the property shall be considered as a resource which  
27 can be made available to meet need, and if the recipient or his  
28 dependents absent themselves from the home for a period of ninety  
29 consecutive days such absence, unless due to hospitalization or health  
30 reasons or a natural disaster, shall raise a rebuttable presumption of

1 abandonment: PROVIDED, That if in the opinion of three physicians the  
2 recipient will be unable to return to the home during his lifetime, and  
3 the home is not occupied by a spouse or dependent children or disabled  
4 sons or daughters, such property shall be considered as a resource  
5 which can be made available to meet need.

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

10 (c) A motor vehicle, other than a motor home, used and useful  
11 having an equity value not to exceed one thousand five hundred dollars.

12 (d) All other resources, including any excess of values exempted,  
13 not to exceed one thousand dollars or other limit as set by the  
14 department, to be consistent with limitations on resources and  
15 exemptions necessary for federal aid assistance.

16 (e) Applicants for or recipients of general assistance may retain  
17 the following described resources in addition to exemption for a motor  
18 vehicle or home and not be ineligible for public assistance because of  
19 such resources:

20 (i) Household furnishings, personal effects, and other personal  
21 property having great sentimental value to the applicant or recipient;

22 (ii) Term and burial insurance for use of the applicant or  
23 recipient;

24 (iii) Life insurance having a cash surrender value not exceeding  
25 one thousand five hundred dollars; and

26 (iv) Cash, marketable securities, and any excess of values above  
27 one thousand five hundred dollars equity in a vehicle and above one  
28 thousand five hundred dollars in cash surrender value of life  
29 insurance, not exceeding one thousand five hundred dollars for a single  
30 person or two thousand two hundred fifty dollars for a family unit of

1 two or more. The one thousand dollar limit in subsection (10)(d) of  
2 this section does not apply to recipients of or applicants for general  
3 assistance.

4 (f) If an applicant for or recipient of public assistance possesses  
5 property and belongings in excess of the ceiling value, such value  
6 shall be used in determining the need of the applicant or recipient,  
7 except that: (i) The department may exempt resources or income when  
8 the income and resources are determined necessary to the applicant's or  
9 recipient's restoration to independence, to decrease the need for  
10 public assistance, or to aid in rehabilitating the applicant or  
11 recipient or a dependent of the applicant or recipient; and (ii) the  
12 department may provide grant assistance to persons who are otherwise  
13 ineligible because of excess real property owned by such persons when  
14 they are making a good faith effort to dispose of that property, but  
15 the recipient must sign an agreement to dispose of the property and  
16 repay assistance payments made to the date of disposition of the  
17 property which would not have been made had the disposal occurred at  
18 the beginning of the period for which the payments of such assistance  
19 were made. In no event shall such amount due the state exceed the net  
20 proceeds otherwise available to the recipient from the disposition,  
21 unless after nine months from the date of the agreement the property  
22 has not been sold, or if the recipient's eligibility for financial  
23 assistance ceases for any other reason. In these two instances the  
24 entire amount of assistance paid during this period will be treated as  
25 an overpayment and a debt due the state, and may be recovered pursuant  
26 to RCW 43.20B.630.

27 (11) "Income"--(a) All appreciable gains in real or personal  
28 property (cash or kind) or other assets, which are received by or  
29 become available for use and enjoyment by an applicant or recipient  
30 during the month of application or after applying for or receiving

1 public assistance. The department may by rule and regulation exempt  
2 income received by an applicant for or recipient of public assistance  
3 which can be used by him to decrease his need for public assistance or  
4 to aid in rehabilitating him or his dependents, but such exemption  
5 shall not, unless otherwise provided in this title, exceed the  
6 exemptions of resources granted under this chapter to an applicant for  
7 public assistance. In determining the amount of assistance to which an  
8 applicant or recipient of aid to families with dependent children is  
9 entitled, the department is hereby authorized to disregard as a  
10 resource or income the earned income exemptions consistent with federal  
11 requirements. The department may permit the above exemption of  
12 earnings of a child to be retained by such child to cover the cost of  
13 special future identifiable needs even though the total exceeds the  
14 exemptions or resources granted to applicants and recipients of public  
15 assistance, but consistent with federal requirements. In formulating  
16 rules and regulations pursuant to this chapter, the department shall  
17 define income and resources and the availability thereof, consistent  
18 with federal requirements. All resources and income not specifically  
19 exempted, and any income or other economic benefit derived from the use  
20 of, or appreciation in value of, exempt resources, shall be considered  
21 in determining the need of an applicant or recipient of public  
22 assistance.

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

28 (12) "Need"--The difference between the applicant's or recipient's  
29 standards of assistance for himself and the dependent members of his  
30 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. 6.** The department shall amend the state  
15 plan to include an aid to families with dependent children essential  
16 persons program that would, to the extent permitted under federal law,  
17 allow eighteen to twenty year old students to be eligible for federal  
18 aid to families with dependent children matching grants.

19 NEW SECTION. **Sec. 7.** The department shall seek federal  
20 approval for the amendment to the state plan under section 6 of this  
21 act and report on the status of the program to the appropriate standing  
22 committees of the legislature by December 1, 1991.

23 **Sec. 8.** RCW 74.04.770 and 1983 1st ex.s. c 41 s 38 are each  
24 amended to read as follows:

25 (1) The ~~((department))~~ legislative budget committee, through  
26 contract with an independent research organization, shall establish  
27 consolidated standards of need on July 1 of each ~~((fiscal))~~ year which

1 may vary by geographical areas, program, and family size, for aid to  
2 families with dependent children, refugee assistance, supplemental  
3 security income, and general assistance. Standards for aid to families  
4 with dependent children, refugee assistance, and general assistance  
5 shall be based on studies of actual living costs and generally  
6 recognized inflation indices and shall include reasonable allowances  
7 for shelter, fuel, food, transportation, clothing, household  
8 maintenance and operations, personal maintenance, and necessary  
9 incidentals. The standard of need may take into account the economies  
10 of joint living arrangements, but unless explicitly required by federal  
11 statute, there shall not be proration of any portion of assistance  
12 grants unless the amount of the grant standard is equal to the standard  
13 of need.

14 (2) The department is authorized to establish rateable reductions  
15 and grant maximums consistent with federal law. This subsection shall  
16 not apply after June 30, 2009.

17 (3) Payment level will be equal to need or a lesser amount if  
18 rateable reductions or grant maximums are imposed. In no case shall a  
19 recipient of supplemental security income receive a state supplement  
20 less than the minimum required by federal law.

21 (4) The department may establish a separate standard for shelter  
22 provided at no cost.

23 NEW SECTION. Sec. 9. Sections 2 through 4 and 6 of this act  
24 are each added to chapter 74.04 RCW.

25 NEW SECTION. Sec. 10. Section 3 of this act shall take effect  
26 on July 1, 2009.

1        NEW SECTION.    **Sec. 11.**        Sections 1, 2, and 4 through 8 of this  
2 act are necessary for the immediate preservation of the public peace,  
3 health, or safety, or support of the state government and its existing  
4 public institutions, and shall take effect immediately.