
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 and 74.25.020; reenacting and amending RCW 74.04.005; adding
6 new sections to chapter 74.12 RCW; creating new sections; and providing
7 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 thirty 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 on the effective date of this section. This exemption ends on
16 the child's third birthday.

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.

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

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

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

35 Unless renegotiated and extended, a contract entered into under
36 section 2 of this act may not last beyond the end of the last day of
37 the sixth calendar month following the month in which the contract was

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

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

11 (1) The number of monthly benefit payments made to a caretaker
12 under contracts entered into under this act shall be limited to not
13 more than twenty-four monthly payments in the sixty-month period
14 beginning with the month in which the first payment was made under the
15 first contract entered into between the caretaker and the department.
16 However, this rule does not apply after such twenty-four monthly
17 payments if:

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

22 (b) The caretaker is participating in an unpaid work experience
23 program;

24 (c) The caretaker is participating in a high school or GED program;
25 or

26 (d) The caretaker is participating in a job specific training
27 program that will end within six months.

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

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

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

1 the approximate day of conception, the parent was married. This
2 section does not apply with respect to any child born ten or fewer
3 months before the effective date of this section.

4 NEW SECTION. **Sec. 7.** A new section is added to chapter 74.12 RCW
5 to read as follows:

6 In the case of any family eligible for aid to families with
7 dependent children by reason of the unemployment of the parent who is
8 the principal earner, the department shall require one parent to
9 participate in community work experience for not less than thirty hours
10 per week. The parent participating in community work experience shall
11 locate a community work experience, document his or her participation,
12 and provide a report on his or her activities at the contract
13 renegotiation and extension meeting. This section applies only when
14 the two parents are members of the household. This section does not
15 apply when one parent is working a minimum of twenty hours per week.

16 **Sec. 8.** RCW 74.12.420 and 1994 c 299 s 9 are each amended to read
17 as follows:

18 ~~((The legislature recognizes that long-term recipients of aid to
19 families with dependent children may require a period of several years
20 to attain economic self-sufficiency. To provide incentives for long-
21 term recipients to leave public assistance and accept paid employment,
22 the legislature finds that less punitive and onerous sanctions than
23 those required by the federal government are appropriate. The
24 legislature finds that a ten percent reduction in grants for long-term
25 recipients that may be replaced through earned income is a more
26 positive approach than sanctions required by the federal government for
27 long-term recipients who fail to comply with requirements of the job
28 opportunities and basic skills program. A long-term recipient shall
29 not be subject to two simultaneous sanctions for failure to comply with
30 the participation requirements of the job opportunities and basic
31 skills program and for exceeding the length of stay provisions of this
32 section.))~~ In addition to the provisions of this section and sections
33 1 through 6 of this act, the following rules apply to caretakers who
34 were recipients under the aid to families with dependent children
35 program before the effective date of this section:

36 (1) After forty-eight monthly benefit payments in ((a)) the
37 preceding sixty-month period, (including any months in such period

1 falling before the effective date of this section) and after each
2 additional twelve monthly benefit payments, the aid to families with
3 dependent children monthly benefit payment shall be reduced by ten
4 percent of the payment standard(~~(, except that after forty-eight~~
5 ~~monthly payments in a sixty-month period, full monthly benefit payments~~
6 ~~may be made)~~). However, this rule does not apply after such forty-
7 eight monthly benefit payments if:

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

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

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

13 (d) The ((~~person~~)) caretaker is cooperating in the development and
14 implementation of an employability plan while receiving aid to families
15 with dependent children and no present full-time, part-time, or unpaid
16 work experience job is offered; or

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

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

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

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

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

36 NEW SECTION. Sec. 9. A new section is added to chapter 74.12 RCW
37 to read as follows:

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

6 (2) The joint legislative oversight committee, consisting of the
7 house of representatives committee on children and family services and
8 the senate committee on health and long-term care, is created. Within
9 sixty days after the effective date of this section, the department
10 shall submit copies of its proposed rules to the secretary of the
11 senate and the chief clerk of the house of representatives for
12 distribution to the joint committee. The committee shall review the
13 proposed rules and shall provide the department with its objections, if
14 any, to the proposed rules. The committee may not render a decision on
15 a rule unless a quorum is present. A quorum shall consist of at least
16 seventy percent of the members of the committee. Once a quorum is
17 established, a majority of the quorum may render a decision. The
18 committee shall make a decision on the rules within thirty days of the
19 referral by the department.

20 (3) Whenever the committee objects to proposed rules, the committee
21 shall give the department written notice of its findings and reasons
22 therefor. No later than thirty days after receiving such notice, the
23 department shall consider whether to change its proposed rules in
24 accordance with the committee's findings. Any changes to the proposed
25 rules may not be adopted until the proposed rules and the changes have
26 been submitted to the committee and been submitted to the process
27 established in this section.

28 **Sec. 10.** RCW 74.25.020 and 1993 c 312 s 7 are each amended to read
29 as follows:

30 (1) The department of social and health services is authorized to
31 contract with public and private employment and training agencies and
32 other public service entities to provide services prescribed or allowed
33 under the federal social security act, as amended, to carry out the
34 purposes of the jobs training program. The department of social and
35 health services has sole authority and responsibility to carry out the
36 job opportunities and basic skills training program. No contracting
37 entity shall have the authority to review, change, or disapprove any
38 administrative decision, or otherwise substitute its judgment for that

1 of the department of social and health services as to the application
2 of policies and rules adopted by the department of social and health
3 services.

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

8 ~~(3))~~ The department of social and health services shall adopt
9 rules under chapter 34.05 RCW ~~((establishing))~~ that conform to the
10 criteria in federal law for mandatory program participation as well as
11 establish criteria constituting circumstances of good cause for an
12 individual failing or refusing to participate in an assigned program
13 component, or failing or refusing to accept or retain employment.
14 ~~((These))~~ The good cause criteria shall include, but not be limited to,
15 the following circumstances: (a) If the individual is a parent or
16 other relative personally providing care for a child under age six
17 years, and the employment would require the individual to work more
18 than twenty hours per week; (b) if child care, or day care for an
19 incapacitated individual living in the same home as a dependent child,
20 is necessary for an individual to participate or continue participation
21 in the program or accept employment, and such care is not available,
22 and the department of social and health services fails to provide such
23 care; (c) the employment would result in the family of the participant
24 experiencing a net loss of cash income; or (d) circumstances that are
25 beyond the control of the individual's household, either on a short-
26 term or on an ongoing basis.

27 ~~((+4))~~ (3) The department of social and health services shall
28 adopt rules under chapter 34.05 RCW as necessary to effectuate the
29 intent and purpose of this chapter.

30 NEW SECTION. **Sec. 11.** All job search skills training and
31 postsecondary education shall be oriented towards local labor force
32 needs as determined by the department of social and health services in
33 consultation with the local private industry council and the employment
34 security department. Education and skills training shall emphasize
35 basic, secondary, and vocational education. Aid to families with
36 dependent children grants shall be provided to individuals attending a
37 four-year college or university only if it can be demonstrated that it

1 provides the fastest, most efficient, and cost-effective path to
2 employment for a particular recipient.

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

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

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

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

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

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

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

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

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

28 (ii) Meet one of the following conditions:

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

35 (B) Subject to chapter 165, Laws of 1992, incapacitated from
36 gainful employment by reason of bodily or mental infirmity that will
37 likely continue for a minimum of ninety days as determined by the
38 department.

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

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

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

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

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

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

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

10 (i) First failure: One week;

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

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

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

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

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

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

1 following the birth of the recipient's child falls. Recipients of the
2 federal aid to families with dependent children program who lose their
3 eligibility solely because of the birth and relinquishment of the
4 qualifying child may receive general assistance through the end of the
5 month in which the period of six weeks following the birth of the child
6 falls.

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

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

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

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

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

37 (b) Household furnishings and personal effects and other personal
38 property having great sentimental value to the applicant or recipient,

1 as limited by the department consistent with limitations on resources
2 and exemptions for federal aid assistance.

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

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

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

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

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

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

36 (C) Applicants and recipients are advised of their right to a fair
37 hearing and afforded the opportunity to challenge a decision that good
38 faith efforts to sell have ceased, prior to assessment of an
39 overpayment under this section; and

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

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

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

34 (12) "Need"«The difference between the applicant's or recipient's
35 standards of assistance for himself and the dependent members of his
36 family, as measured by the standards of the department, and value of
37 all nonexempt resources and nonexempt income received by or available
38 to the applicant or recipient and the dependent members of his family.

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

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

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

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

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

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

36 (4) The provisions of this act that do not require federal action
37 in order to avoid a "conflict with federal requirements" under section

1 15 of this act shall become effective on the one hundred fiftieth
2 consecutive day after adjournment of the session at which this act is
3 enacted.

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

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

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

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

34 NEW SECTION. **Sec. 17.** (1) By January 1, 1996, the legislative
35 budget committee shall submit to the legislature an evaluation plan

1 satisfactory to the federal government, including a plan for analysis,
2 within available funds, of:

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

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

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

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

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

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

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

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