

---

HOUSE BILL 1481

---

State of Washington

54th Legislature

1995 Regular Session

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 01/26/95. Referred to Committee on Children & Family Services.

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 large 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 recipients who are  
5 most at risk of a long-term stay on welfare;

6 (3) Individuals 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 3 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 benefits to which the family is eligible, including job assessment,  
29 job search, job skills training, services under RCW 74.12.400 related  
30 to family planning and alternatives to abortion, and referral to  
31 available community resources; (c) contain a summary of the  
32 responsibilities that the caretaker must exercise for receipt of such  
33 benefits; (d) contain a statement of the rule in section 3 of this act  
34 prohibiting additional assistance for additional children; (e) contain  
35 a statement of the rules in section 4 of this act governing the  
36 duration of the contract; (f) contain a statement of the rules in  
37 section 5 of this act governing the number of monthly payments that may  
38 be made during a sixty-month period and authorizing increased earnings;

1 (g) if the caretaker is a minor, contain a statement of the rule in  
2 section 6 of this act governing aid with respect to children of  
3 unmarried minors; and (h) if the caretaker has been a long-term  
4 recipient who might be affected by the rule in section 7 of this act  
5 governing long-term recipients, contain a statement of such rule.

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

8 The monthly benefit payment for a family shall not be increased as  
9 a result of the caretaker's becoming the biological parent of any  
10 additional child or children born more than ten months after the  
11 effective date of the caretaker's initial contract with the department  
12 under section 2 of this act. This rule applies regardless of whether  
13 the initial contract is no longer effective or whether there exists a  
14 new contract or a contract that has been renegotiated and extended  
15 under section 4 of this act. Also, it applies only for the sixty-month  
16 period beginning with the month in which the first payment was made  
17 under the first contract entered into between the caretaker and the  
18 department.

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

21 Unless renegotiated and extended, a contract entered into under  
22 section 2 of this act may not last beyond the end of the last day of  
23 the sixth calendar month following the month in which the contract was  
24 entered into. A contract may be renegotiated and extended for  
25 additional periods of six months if, for each extension, the caretaker  
26 requests the extension and the caretaker has complied with the  
27 contract, and if all eligibility requirements are satisfied. The  
28 department shall notify the caretaker of the need to renegotiate the  
29 contract before its expiration. In addition, the department may  
30 provide for contract extension under limited emergency circumstances  
31 specified by the department by rule.

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

34 (1) The number of monthly benefit payments made to a caretaker  
35 under contracts entered into under this section shall be limited to not  
36 more than twenty-four monthly payments in the sixty-month period

1 beginning with the month in which the first payment was made under the  
2 first contract entered into between the caretaker and the department.  
3 However, this rule does not apply after such twenty-four monthly  
4 payments if:

5 (a) The caretaker is incapacitated or is needed in the home to care  
6 for a member of the household who is incapacitated;

7 (b) The caretaker is needed in the home to care for a child under  
8 age three;

9 (c) The caretaker is cooperating in the development and  
10 implementation of an employability plan while receiving aid to families  
11 with dependent children and no present full-time or part-time job is  
12 offered; or

13 (d) The caretaker is participating in an unpaid work experience  
14 program.

15 (2) During any of the last twelve months of eligibility for a  
16 monthly benefit payment, a caretaker may earn up to one hundred percent  
17 of the monthly benefit payment without such earnings resulting in any  
18 reduction in future monthly benefit payments and any loss of  
19 eligibility during any remaining months in the sixty-month period.

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

22 A parent under eighteen years of age is ineligible for aid to  
23 families with dependent children if the aid would be for any dependent  
24 biological child of the parent and if the parent cannot prove that, on  
25 the approximate day of conception, the parent was married. This  
26 section does not apply with respect to any child born ten or fewer  
27 months before the effective date of this section.

28 **Sec. 7.** RCW 74.12.420 and 1994 c 299 s 9 are each amended to read  
29 as follows:

30 ~~((The legislature recognizes that long-term recipients of aid to  
31 families with dependent children may require a period of several years  
32 to attain economic self-sufficiency. To provide incentives for long-  
33 term recipients to leave public assistance and accept paid employment,  
34 the legislature finds that less punitive and onerous sanctions than  
35 those required by the federal government are appropriate. The  
36 legislature finds that a ten percent reduction in grants for long-term  
37 recipients that may be replaced through earned income is a more~~

1 ~~positive approach than sanctions required by the federal government for~~  
2 ~~long-term recipients who fail to comply with requirements of the job~~  
3 ~~opportunities and basic skills program. A long-term recipient shall~~  
4 ~~not be subject to two simultaneous sanctions for failure to comply with~~  
5 ~~the participation requirements of the job opportunities and basic~~  
6 ~~skills program and for exceeding the length of stay provisions of this~~  
7 ~~section.)) In addition to the provisions of this section and sections~~  
8 ~~1 through 6 of this act, the following rules apply to caretakers who~~  
9 ~~were recipients under the aid to families with dependent children~~  
10 ~~program before the effective date of this section:~~

11 (1) After forty-eight monthly benefit payments in a sixty-month  
12 period, (including any months in such period falling before the  
13 effective date of this section) and after each additional twelve  
14 monthly benefit payments, the aid to families with dependent children  
15 monthly benefit payment shall be reduced by ten percent of the payment  
16 standard(~~(, except that after forty-eight monthly payments in a sixty-~~  
17 ~~month period, full monthly benefit payments may be made)). However,~~  
18 ~~this rule does not apply after such forty-eight monthly benefit~~  
19 ~~payments if:~~

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

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

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

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

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

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

37 (3) ~~((For purposes of determining monthly benefit payments for two-~~  
38 ~~parent aid to families with dependent children households, the length~~  
39 ~~of stay criterion will be applied to the parent with the longer history~~

1 ~~of public assistance receipt.))~~ The provisions of this section  
2 requiring reduction of benefits do not apply to reduce benefits for any  
3 month falling before July 1996.

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

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

9 NEW SECTION. Sec. 8. The department of social and health services  
10 shall adopt rules to carry out the provisions of sections 1 through 6  
11 of this act and RCW 74.12.420 and to enforce contracts adopted under  
12 section 2 of this act. Before adoption of such rules, the department  
13 shall submit them to the chief clerk of the house of representatives  
14 and secretary of the senate for distribution to, and review by, the  
15 appropriate committees of the legislature. The department may not  
16 adopt the rules until at least thirty consecutive days have expired  
17 since the date that the rules were provided to the committees.

18 **Sec. 9.** RCW 74.25.020 and 1993 c 312 s 7 are each amended to read  
19 as follows:

20 (1) The department of social and health services (~~is authorized~~  
21 ~~to~~) shall contract with public and private employment and training  
22 agencies and other public service entities to provide services  
23 (~~prescribed or allowed under the federal social security act, as~~  
24 ~~amended, to carry out the purposes of the jobs training program. The~~  
25 ~~department of social and health services has sole authority and~~  
26 ~~responsibility to carry out the job opportunities and basic skills~~  
27 ~~training program. No contracting entity shall have the authority to~~  
28 ~~review, change, or disapprove any administrative decision, or otherwise~~  
29 ~~substitute its judgment for that of the department of social and health~~  
30 ~~services as to the application of policies and rules adopted by the~~  
31 ~~department of social and health services)) authorized under the  
32 contract specified in section 2 of this act designed to move recipients  
33 of aid to families with dependent children to economic independence.~~

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

1       ~~(3))~~ The department of social and health services shall adopt  
2 rules under chapter 34.05 RCW establishing a state plan for the use of  
3 job opportunities and basic skills program funds that move recipients  
4 of aid to families with dependent children to economic independence as  
5 quickly as possible as well as establishing criteria constituting  
6 circumstances of good cause for an individual's failing or refusing to  
7 participate in an assigned program component, or failing or refusing to  
8 accept or retain employment. ((These)) The good cause criteria shall  
9 include, but not be limited to, the following circumstances: (a) ((If  
10 the individual is a parent or other relative personally providing care  
11 for a child under age six years, and the employment would require the  
12 individual to work more than twenty hours per week; (b) if child care,  
13 or day care for an incapacitated individual living in the same home as  
14 a dependent child, is necessary for an individual to participate or  
15 continue participation in the program or accept employment, and such  
16 care is not available, and the department of social and health services  
17 fails to provide such care; (c) the employment would result in the  
18 family of the participant experiencing a net loss of cash income; or  
19 (d) circumstances that are beyond the control of the individual's  
20 household, either on a short-term or on an ongoing basis)) The person  
21 is incapacitated or is needed in the home to care for a member of the  
22 household who is incapacitated; (b) the person is needed in the home to  
23 care for a child under age three; (c) the person is participating in an  
24 employability plan and no full-time or part-time job is offered.

25       ~~((4))~~ (3) The department of social and health services shall  
26 adopt rules under chapter 34.05 RCW as necessary to effectuate the  
27 intent and purpose of this chapter.

28       **Sec. 10.** RCW 74.04.005 and 1992 c 165 s 1 and 1992 c 136 s 1 are  
29 each reenacted and amended to read as follows:

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

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

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

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

1 (4) "Director" or "secretary" means the secretary of social and  
2 health services.

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

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

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

15 (ii) Meet one of the following conditions:

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

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

26 (C) Persons who are unemployable due to alcohol or drug addiction  
27 are not eligible for general assistance. Persons receiving general  
28 assistance on July 26, 1987, or becoming eligible for such assistance  
29 thereafter, due to an alcohol or drug-related incapacity, shall be  
30 referred to appropriate assessment, treatment, shelter, or supplemental  
31 security income referral services as authorized under chapter 74.50  
32 RCW. Referrals shall be made at the time of application or at the time  
33 of eligibility review. Alcoholic and drug addicted clients who are  
34 receiving general assistance on July 26, 1987, may remain on general  
35 assistance if they otherwise retain their eligibility until they are  
36 assessed for services under chapter 74.50 RCW. Subsection  
37 (6)(a)(ii)(B) of this section shall not be construed to prohibit the  
38 department from granting general assistance benefits to alcoholics and  
39 drug addicts who are incapacitated due to other physical or mental

1 conditions that meet the eligibility criteria for the general  
2 assistance program;

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

6 (iv) Have furnished the department their social security account  
7 number. If the social security account number cannot be furnished  
8 because it has not been issued or is not known, an application for a  
9 number shall be made prior to authorization of assistance, and the  
10 social security number shall be provided to the department upon  
11 receipt.

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

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

18 (ii) To the extent authorized by the legislature in the biennial  
19 appropriations act, to recipients of aid to families with dependent  
20 children whose needs are not being met because of a temporary reduction  
21 in monthly income below the entitled benefit payment level caused by  
22 loss or reduction of wages or unemployment compensation benefits or  
23 some other unforeseen circumstances. The amount of general assistance  
24 authorized shall not exceed the difference between the entitled benefit  
25 payment level and the amount of income actually received.

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

35 (i) First failure: One week;

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

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

38 (d) Persons found eligible for general assistance based on  
39 incapacity from gainful employment may, if otherwise eligible, receive

1 general assistance pending application for federal supplemental  
2 security income benefits. Any general assistance that is subsequently  
3 duplicated by the person's receipt of supplemental security income for  
4 the same period shall be considered a debt due the state and shall by  
5 operation of law be subject to recovery through all available legal  
6 remedies.

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

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

16 (g) Recipients of general assistance based upon a finding of  
17 incapacity from gainful employment who remain otherwise eligible shall  
18 not have their benefits terminated absent a clear showing of material  
19 improvement in their medical or mental condition or specific error in  
20 the prior determination that found the recipient eligible by reason of  
21 incapacitation. Recipients of general assistance based upon pregnancy  
22 who relinquish their child for adoption, remain otherwise eligible, and  
23 are not eligible to receive benefits under the federal aid to families  
24 with dependent children program shall not have their benefits  
25 terminated until the end of the month in which the period of six weeks  
26 following the birth of the recipient's child falls. Recipients of the  
27 federal aid to families with dependent children program who lose their  
28 eligibility solely because of the birth and relinquishment of the  
29 qualifying child may receive general assistance through the end of the  
30 month in which the period of six weeks following the birth of the child  
31 falls.

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

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

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

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

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

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

29 (c) A motor vehicle, other than a motor home, used and useful  
30 having an equity value not to exceed (~~one~~) two thousand five hundred  
31 dollars.

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

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

5 (f) If an applicant for or recipient of public assistance possesses  
6 property and belongings in excess of the ceiling value, such value  
7 shall be used in determining the need of the applicant or recipient,  
8 except that: (i) The department may exempt resources or income when  
9 the income and resources are determined necessary to the applicant's or  
10 recipient's restoration to independence, to decrease the need for  
11 public assistance, or to aid in rehabilitating the applicant or  
12 recipient or a dependent of the applicant or recipient; and (ii) the  
13 department may provide grant assistance for a period not to exceed nine  
14 months from the date the agreement is signed pursuant to this section  
15 to persons who are otherwise ineligible because of excess real property  
16 owned by such persons when they are making a good faith effort to  
17 dispose of that property: PROVIDED, That:

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

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

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

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

30 (11) "Income"«(a) All appreciable gains in real or personal  
31 property (cash or kind) or other assets, which are received by or  
32 become available for use and enjoyment by an applicant or recipient  
33 during the month of application or after applying for or receiving  
34 public assistance. The department may by rule and regulation exempt  
35 income received by an applicant for or recipient of public assistance  
36 which can be used by him to decrease his need for public assistance or  
37 to aid in rehabilitating him or his dependents, but such exemption  
38 shall not, unless otherwise provided in this title, exceed the  
39 exemptions of resources granted under this chapter to an applicant for

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

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

22 (12) "Need"«The difference between the applicant's or recipient's  
23 standards of assistance for himself and the dependent members of his  
24 family, as measured by the standards of the department, and value of  
25 all nonexempt resources and nonexempt income received by or available  
26 to the applicant or recipient and the dependent members of his family.

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

33 (14) In the construction of words and phrases used in this title,  
34 the singular number shall include the plural, the masculine gender  
35 shall include both the feminine and neuter genders and the present  
36 tense shall include the past and future tenses, unless the context  
37 thereof shall clearly indicate to the contrary.

1        NEW SECTION.    **Sec. 11.**    Except as expressly provided to the  
2 contrary under chapter . . . , Laws of 1995 (this act), the provisions  
3 of chapter . . . , Laws of 1995 (this act) shall be prospective only.

4        NEW SECTION.    **Sec. 12.**    (1) This section and subsection (4) of  
5 section 7 shall become effective ninety consecutive days after  
6 adjournment of the session at which this act is enacted.

7        (2) Within one hundred twenty consecutive days after adjournment of  
8 the session at which this act is enacted, the governor, with the advice  
9 of the attorney general, shall determine which, if any, provisions of  
10 this act probably would be found to "conflict with federal  
11 requirements" under section 13 of this act. Within one hundred fifty  
12 consecutive days after adjournment of the session at which this act is  
13 enacted, the governor shall formally request the appropriate federal  
14 entities or officials to take whatever federal government action (such  
15 as an exemption, waiver, amendment, or other form of law or policy  
16 change) that is necessary for the provision or provisions not to  
17 conflict with such federal requirements.

18        (3) Any provision of this act that requires federal government  
19 action in order to avoid a "conflict with federal requirements" under  
20 section 13 of this act shall become effective on the thirtieth  
21 consecutive day following the effective date of the action. The rule  
22 in this subsection applies to any action eliminating the conflict,  
23 regardless of whether the action is requested under subsection (2) of  
24 this section.

25        (4) The provisions of this act that do not require federal action  
26 in order to avoid a "conflict with federal requirements" under section  
27 13 of this act shall become effective on the one hundred fiftieth  
28 consecutive day after adjournment of the session at which this act is  
29 enacted.

30        (5) Those provisions of section 2 of this act not requiring federal  
31 action, and therefore effective on the one hundred fiftieth consecutive  
32 day following adjournment, shall be applied in the following manner to  
33 caretakers receiving assistance on such effective date: The department  
34 of social and health services shall provide such caretakers with the  
35 opportunity to contract under section 2 of this act. They shall not be  
36 considered ineligible as a result of section 2 of this act until they  
37 have had this opportunity. This subsection does not affect in any

1 manner whatsoever any caretaker's eligibility, or ineligibility, for  
2 continued assistance under any other law or administrative rule.

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

6 NEW SECTION. **Sec. 13.** If any part of this act is found to be in  
7 conflict with federal requirements that are a prescribed condition to  
8 the allocation of federal funds to the state, the conflicting part of  
9 this act is inoperative solely to the extent of the conflict and with  
10 respect to the agencies directly affected, and this finding does not  
11 affect the operation of the remainder of this act in its application to  
12 the agencies concerned. The rules under this act shall meet federal  
13 requirements that are a necessary condition to the receipt of federal  
14 funds by the state. This term "allocation of federal funds to the  
15 state" means the allocation of federal funds that are appropriated by  
16 the legislature to the department of social and health services and on  
17 which the department depends for carrying out any provision of the  
18 operating budget applicable to it.

19 NEW SECTION. **Sec. 14.** The governor shall report quarterly to the  
20 appropriate committees in the house of representatives and senate on  
21 the efforts to secure the federal changes to permit full implementation  
22 of this act at the earliest possible date.

23 NEW SECTION. **Sec. 15.** If any provision of this act or its  
24 application to any person or circumstance is held invalid, the  
25 remainder of the act or the application of the provision to other  
26 persons or circumstances is not affected.

--- END ---