

# Initiative Measure No. 178

## BALLOT TITLE

**AN ACT modifying the Citizens Security Act of 1948 (Initiative Measure No. 172) and transferring the public assistance medical program to the Department of Health.**

"AN ACT relating to public assistance; defining terms; fixing standards to govern grants of assistance; prescribing qualifications for eligibility to receive assistance; specifying the powers and duties of the Department of Social Security and the Department of Health in relation thereto; creating a Council of Medical Service and defining its powers and duties; amending Sections 3, 4, 5, 15 and 16, Chapter 6, Laws of 1949, and further amending said Chapter 6, Laws of 1949, by adding thereto a new section to be designated Section 3-a."

*Be it enacted by the People of the State of Washington:*

SECTION 1. This act shall be known as the "Citizens' Public Assistance Act of 1950."

Sec. 2. It is the purpose and intent of this act to provide for the public welfare by making available, in conjunction with federal matching funds, such public assistance as is necessary to insure to recipients thereof a reasonable subsistence compatible with decency and health. This act recognizes that there are possibilities of serious abuses of such a program whereby those least deserving of public aid will benefit at the expense of the deserving, and of the state and its political subdivisions, and it is intended hereby to make possible sufficient administrative control of the program of assistance to curb or at least minimize such abuses without at the same time depriving qualified applicants and recipients of the assistance to which they are rightfully entitled.

Sec. 3. Section 3, Chapter 6, Laws of 1949, is amended to read as follows:

Section 3. For the purposes of this act unless the context indicates oth-

erwise, the following definitions shall apply:

(a) "Department"—The Department of Social Security.

(b) "Applicant"—Any person who has made a request, or on behalf of whom a request has been made, to any county welfare department for assistance.

(c) "Recipient"—Any person receiving assistance or currently approved to receive assistance at any future date.

(d) "Income"—Net income in cash or kind available to an applicant or recipient, the receipt of which is regular and predictable enough that an applicant or recipient may rely upon it to contribute appreciably toward meeting his needs.

(e) "Need"—The amount by which the requirements of an individual for himself and the dependent members of his family, as measured by the standards of the department, exceed all income and resources available to such individual in meeting such requirements.

(f) "Resource"—Any asset, tangible or intangible, which can be applied toward meeting an applicant's or recipient's need, either directly or by conversion into money or its equivalent: *Provided*, That the following described assets shall not be considered as a resource available to meet need during such time as they are used by an applicant or recipient in the manner and form as follows:

- (1) The home as defined in Section 3-a hereof.
- (2) Personal property and belongings as defined in Section 3-a hereof.
- (3) Household furnishings and personal clothing used and useful to the person.
- (4) An automobile or other form of conveyance if such conveyance is necessary to an appli-

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cant or recipient because of a lack of, or an inability to use, public transportation. The department shall have the right by rule and regulations to fix a maximum value on such conveyance.

- (5) Cash of not to exceed two hundred dollars for a single person or four hundred dollars for a family unit, or marketable securities of such value.
- (6) Life insurance having a cash surrender value not in excess of five hundred dollars for a single person or one thousand dollars for a family unit: *Provided*, that this maximum allowance shall be decreased by the amount of cash held by the person or the family unit under item 5 above.

SEC. 4. Chapter 6, Laws of 1949, is amended by adding thereto after Section 3 a new section, numbered Section 3-a, as follows:

Section 3-a. No property, either real or personal shall be considered exempt per se, but shall be treated as exempt from consideration as an available resource only during such time and under such conditions as are hereinafter set forth:

(a) "Home"—Real property owned and used by an applicant or recipient as a place of residence, together with a reasonable amount of property surrounding and contiguous thereto. Whenever a recipient shall cease to use such property for residential purposes, either by himself or his dependents, the property shall be considered a resource which can be made available to meet need. If the person or his dependents absent themselves from the home for a consecutive period of ninety days such absence shall raise a presumption of abandonment

(b) "Personal Property and Belongings"—Personal property or belongings which are used and useful to the applicant or recipient or which have great sentimental value. Whenever such person ceases to make use of or ceases to be able to make use of such personal property or belongings, the same shall be considered a resource available to meet need.

The department shall, by rule and

regulation, fix maximum values for both a home as defined in paragraph (a) and the personal property and belongings as defined in paragraph (b); and shall also fix maximum units of personal property, regardless of value. If the reasonable value of such home property or personal property and belongings exceeds the maximum values so established or the unit value, then the person owning such property shall be deemed to have a resource available to meet his needs over and above the amount necessary for home ownership or ownership of personal property and belongings, or both, as established by the department, and which can be utilized toward meeting his need by investment, and it shall be deemed that such excess value is capable of producing an income to such person at a return of not less than four per cent per annum. In the computation of income and resources for the purpose of determining need, such person shall be charged with an annual income equal to four per cent of such excess valuation or the actual earnings therefrom, whichever is the greater.

The department shall also, by rule and regulation, fix ceiling values on both home property and personal property and belongings, and if any applicant for, or recipient of, public assistance possesses home property or personal property and belongings, or both, of a value in excess of such ceiling values, such person shall be ineligible for public assistance.

Value shall be the current fair market value, less liens and encumbrances of record.

Any recipient who shall voluntarily transfer a resource, whether exempt or not, shall be deemed to have available to meet his needs an amount equivalent to the quick sale value of such resources, in the event that the proceeds from such transfer are not re-invested in an exempt resource within a reasonable time. Whenever a resource has been transferred or assigned, it shall no longer be considered exempt, nor shall the proceeds from such transfer or assignment be considered exempt except as above provided.

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Upon the transfer of an exempt resource and the re-investment of the proceeds thereof, the department shall not be bound to provide additional or prolonged assistance to meet additional shelter cost incurred by such re-investment except when the plan has been previously approved by the department.

SEC. 5. Section 4, Chapter 6, Laws of 1949, is amended to read as follows:

Section 4. An Old Age Assistance grant shall be awarded to any person who:

(a) Has attained the age of sixty-five and

(b) Has been a resident of the State of Washington for at least five years within the last ten, and

(c) Is not an inmate of a public institution of a custodial, correctional, or curative character: *Provided*, That this shall not prevent the department from paying a grant to meet the incidental and personal needs of a person who is an inmate of a county hospital or infirmary, and

(d) Has not made a voluntary assignment or transfer of property or cash for the purpose of qualifying for an Old Age Assistance grant, and

(e) Is in need.

SEC. 6. Section 5, Chapter 6, Laws of 1949, is amended to read as follows:

Section 5. Grants shall be awarded on a uniform statewide basis in accordance with standards of assistance established by the department. The department shall establish standards of assistance for Old Age Assistance, Aid to Dependent Children, Aid to the Blind, and General Assistance to Unemployable Persons which shall be used to determine an applicant's or recipient's living requirements and which shall include reasonable allowances for shelter, fuel, food, clothing, household maintenance and operation, personal maintenance, and necessary incidentals. The total dollar value of the assistance budget shall, under average conditions, be not less than sixty dollars per month for an individual living alone; but a recipient shall not receive a grant of sixty dollars or more unless his actual requirements

amount to sixty dollars. Grants shall be paid in the amount of requirements less all available income and resources which can be applied by the recipient toward meeting need, including shelter.

In order to determine such standards of assistance the department shall establish objective budgetary guides based upon actual living cost studies of the items of the budget. Such living cost studies shall be renewed or revised at least semi-annually and new standards of assistance reflecting current living cost shall determine budgets of need.

The figure of sixty dollars shall be subject to revision in December of each year, in that the department shall adjust such figure either upward or downward in the amount of one dollar for each three full points of change upward or downward, respectively, occurring subsequent to the index for the month of December, 1950, in the Consumers' Price Index for moderate income families in the city of Seattle, Washington, issued by the Bureau of Labor Statistics of the United States Department of Labor, according to the latest available published statistics covering such index. Any indicated adjustment in standards shall become effective not later than April first of the succeeding year.

The standards of assistance shall take into account the economy of family living arrangements, and the department may, by rule and regulation, prescribe maximums for grants on the basis of the size and type of the household unit, which maximums shall be related to average family income in this state. For the establishment of such minimums the department shall make use of all available statistics of the U. S. Census Bureau, the U. S. Department of Labor, and other governmental or research agencies which relate to family income.

For General Assistance to Unemployed Employable Persons, the department shall establish standards of assistance based upon annual living cost studies and compatible with a minimum necessary for decent and healthful subsistence. Such standards shall permit the meeting of actual and emergent need on an individual basis.

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Sec. 7. Section 15, Chapter 6, Laws of 1949, is amended to read as follows:

Section 15. (a) On and after the effective date of this amendatory act the State Department of Health shall be responsible for providing necessary medical, dental and related services to recipients of public assistance and other persons without income and resources sufficient to secure them. Eligibility for such medical service shall be established by the Department of Social Security.

In providing these services, it is hereby declared to be the intent of this act to carry out the following principles:

(1) Care shall be equivalent to accepted standards of medical and dental practice in the community where the eligible individual resides;

(2) In addition to meeting immediate and acute medical needs, shall provide or utilize available rehabilitation services as far as practicable, to restore or to maintain the individual's capacity for self-reliance;

(3) Shall develop and strengthen programs for prevention or early discovery of disease so as to maintain or restore the individual to the maximum of self-reliance;

(4) Shall make full use of all existing public and free facilities and services;

(5) Shall provide auxiliary services, including hospital and nursing care, ambulance service, drugs, medicines, hearing aids, optical supplies and other appliances in accordance with the plans of the Department of Health;

(6) Shall allow the individual as much freedom as practicable in selecting the type of practitioner best able to serve him and if said practitioner has agreed to conform to the rules and regulations prescribed by the State Board of Health;

(7) Individuals who are classified as unemployable shall be evaluated in terms of partial or complete rehabilitation so as to be self-sustaining insofar as practicable.

(b) The State Board of Health shall formulate policies, establish standards and rules and regulations to carry out the purposes of this act.

Rules and regulations adopted shall be filed with the Secretary of State thirty days prior to their effective date and shall be available to the public at local health departments and the Department of Social Security.

(c) To assist and advise the State Board of Health in formulating policies, establishing standards and rules and regulations, there is hereby created a Council of Medical Service. Such council shall consist of twelve members and shall be representative of the major providers of medical services and are to be appointed by the Governor and serve at his pleasure.

The members of the council shall receive the statutory per diem and actual and necessary traveling expenses when engaged in the activities of the council. Such expenses, when approved by the Director of Health, shall be a charge against the administrative appropriation for this program.

The council shall meet jointly with the State Board of Health not less than once every four months and oftener if necessary upon the call of the chairman of the State Board of Health.

(d) The medical service program shall be administered by the Director of Health, and he may appoint an administrator and such other assistants, and provide for other necessary administrative needs as shall be necessary to carry out the purpose of this act, limited by funds made available by the legislature.

(e) The Department of Health, in providing medical services, shall have the right to procure them in whole or in any part through any one or any combination of the following methods:

- (1) By contract with private individuals, organizations and groups;
- (2) By the employment of a professional and technical staff;
- (3) By a direct payment to vendors on a fee for service basis.

(f) Wherever practical, the Department of Health shall delegate the administration of the medical service program to local county or district

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health departments, when it finds that their personnel, facilities, and services meet the standards established by the State Board of Health and the local health department agrees to comply.

The Director of Health shall be empowered, when he finds that a local health department cannot meet required standards, to form local medical service districts, when agreeable to the county or counties involved, for the purpose of carrying out the administration of the medical service program.

The local county or district shall determine the most effective and economical method or methods of providing medical services to eligible persons with the approval of the Director of Health.

(g) The local health officer shall have supervision over county hospitals and other public institutions utilized in providing medical service to the eligible persons.

The local health department shall make full use of public, free and voluntary facilities and services in the administration of this program;

(h) The medical service program shall be financed from funds appropriated to the Department of Health.

Money shall be made available to the counties or districts on a quarterly basis. Thirty days prior to the beginning of each quarter, the board of county commissioners shall submit a budget outlining the financial needs of the county or district health department or medical service district for the ensuing quarter. This shall be reviewed by the Director of Health and be altered or approved as he determines necessary to meet the department's or district's needs, taking into consideration available funds.

Each county and district shall operate within its quarterly approved budget unless the Director of Health determines that an emergency exists justifying an increased allotment.

The Director of Health shall allocate the total appropriation by legislature so that funds shall be available for the period designated.

(i) All existing records and equipment presently held by the Department of Social Security for the medical service program is transferred to

and shall become the property of the Department of Health.

SEC. 8. Section 16, Chapter 6, Laws of 1949 is amended to read as follows:

Section 16. (a) The provisions of Sections 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15 shall apply equally in all categories of public assistance.

(b) The provisions of Sections 3, 3-a, and 4 (b), (c), (d), and (e) shall apply in determining eligibility for Aid to Blind assistance.

(c) The provisions of Sections 3 and 3-a shall apply in determining eligibility for Aid to Dependent Children assistance.

(d) The provisions of Sections 3 and 3-a shall apply in determining eligibility for General Assistance to unemployable persons.

(e) The provisions of Sections 3 (a), (b), (c), (d), and (e) shall apply in determining eligibility for General Assistance to unemployed employable persons and emergency General Assistance. In the determination of need of applicants for General Assistance to unemployed employable persons and emergency General Assistance, no resources shall be considered as exempt per se; but the department may, by rule and regulation, adopt standards which will permit the exemption of residential property and personal property and belongings from consideration as an available resource when such resources are determined to be essential to the applicant or recipient's restoration to independence.

(f) Any person who has been a resident of the State of Washington for one year and is in need as defined herein, shall be eligible for General Assistance: *Provided*, That nothing shall prevent the department from meeting the emergent need of persons who have less than one year's residence in the state, on an emergency basis.

(g) For the purposes of this act the definitions of unemployable persons and unemployed employable persons contained in Section 18, Chapter 216, Laws of 1939, shall apply.

SEC. 9. The legislature shall appropriate such funds as are necessary to carry out the purposes of this act:

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*Provided.* That any appropriation which the legislature may make for the payment of Old Age Assistance grants shall be specifically earmarked for such purposes: *Provided further* That when it shall appear that funds available for the payment of assistance will not be sufficient to meet need in full for the balance of a

biennium, the department may by rule and regulation put into effect rateable reductions in the amount of assistance to be paid for the ensuing quarter or quarters of such biennium, or such portion of any quarter as may be necessary. Such reductions shall be based on determined need.

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STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, May 5, 1950

EARL COE,

Secretary of State.

## ARGUMENT FOR INITIATIVE MEASURE NO. 178

*Citizens, you have two votes on public welfare initiatives next November but if you want to keep wages high, business good and jobs plentiful, you have only one choice. Vote FOR Initiative No. 178. Vote AGAINST Initiative No. 176.*

### 176—THE ROAD TO HIGHER TAXES, FEWER JOBS, STATE BANKRUPTCY

State finances are in a critical condition largely because of excessive public welfare expenditures now being made. The state is spending more than \$50 million a year in excess of its income. If this condition continues it can only mean higher taxes and, as everyone knows, more taxes mean a slowing down of business, less take-home pay, fewer jobs. The burden falls heaviest on those who can least afford it. The worker pays out more and he has less opportunity to earn.

Initiative No. 176, sponsored by the same group which backed Initiative No. 172, would increase deficit spending and push taxes even higher by raising the amount of welfare grants and by breaking down still more the public's control over its own pocket-book. It would add almost \$2 million per month to the millions we are already spending for public welfare. These millions must be taken out of your pocket or away from schools and other vital services.

### 178 IS FAIRPLAY FOR EVERYONE

Initiative No. 178 is common sense public welfare. It makes no drastic cuts in benefit payments. It continues to protect the appropriation for old age pensions. It retains a broad medical care program for all classes of welfare cases. But it provides the legal controls necessary to halt chiseling and to terminate the extravagances that are plunging the state into bankruptcy. It removes the arbitrary requirements which now force the state to make excessive and unnecessary payments. It encourages people to help themselves by removing the penalties of part-time employment, thus furthering the American tradition of independence.

Initiative No. 178 is not penny-

pinching legislation. Do not be deceived by any statements made by its opponents. It contains no lien clause. It does not make relatives responsible for the care of members of their family who are in need. It does not require a public welfare recipient to sell his home or useful personal property. It does not repeal the present public welfare laws. It amends only those portions of existing law that are accountable for the wasteful practices that are endangering all citizens, even those who are now receiving public welfare benefits.

Initiative No. 178 is constructive public welfare legislation. It recognizes fully the responsibility of the state to provide for those in need. It establishes standards as generous as those of the present law. It leaves unchanged the basic conditions of eligibility. But it does not freeze all of these standards and conditions into an inflexible law that must be followed to the letter no matter what happens. It grants sufficient administrative discretion to permit the upward as well as downward revision of grants as circumstances warrant and appropriations require.

Initiative No. 178 is a welfare measure for the needy. It maintains grants at the highest practical level. It protects the old age pension program from outside encroachment. It safeguards all welfare programs from the hazard of state bankruptcy.

Initiative No. 178 is the Citizen's Public Welfare Measure. It fulfills his obligation to the needy. It protects schools and other institutions vital to him. But most of all it makes secure his own future by protecting his opportunity to work and earn. These Initiative 176 would destroy.

## VOTE FOR INITIATIVE 178 Common-Sense Welfare Is Everybody's Business

CHARLES T. BATTIN, Chairman  
Citizens' Public Assistance  
Committee

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State July 22, 1950.

EARL COE,  
Secretary of State

## ARGUMENT AGAINST INITIATIVE MEASURE NO. 178.

Initiative No. 178 places at the disposal of the Director of the Department, without restriction, the entire appropriation made by the Legislature for welfare and Old Age Assistance.

There is no floor provided in 178 and the pensioner must take, without recourse, whatever the Director may choose to give. More vicious than the lien law of 1947, it contains the lien provision hidden and made applicable for collection by the Department, while the recipient is still living. It purports to place a ceiling on property of excessive property value a recipient may own, yet it does not have any guide as to what is **reasonable** except that the Department shall by "rule and regulation" "fix maximum values" for both home and personal property. If the "**reasonable value**" which by act is determined by the Director exceeds his whim as to what is reasonable, then the recipient has, according to the act, an available resource to meet his need. For example, two might own a home worth \$2,000—the Director could say it was worth \$3,500—and the recipient would either have to reduce his valuation or submit to a deduction of 4% on the extra valuation which the dictator director saw fit to say it was worth. Articles of furniture, perhaps heirlooms, valuable only for sentimental reasons, as well as other belongings, may come under the displeasure of the Director. Many of the old folks find it impossible to get around without the use of a car, yet 178 gives the Director authority to say they must dispose of it, regardless of its value.

We charge that the Medical Program is no REAL program at all and is completely unworkable. We charge that it is completely a political set-up, that it will prove much more costly and far less efficient than the present program. We charge that it is designed to kill the Medical Program completely.

We submit that 178 is the most vicious piece of legislation ever submitted to the people of this state for their approval. It provides no guide as to what is right or decent except the whim of the Director. We ask, **Does the recipient—do you—want to be put in that kind of a straightjacket?** We say to the voter of this state, **Do you want your parents put in that kind of straight-jacket?**

We urge you to vote **AGAINST** Initiative 178 and support those who are working to **DEFEAT** Initiative 178.

We wish to impress upon you the fact that it is not necessary to choose between two initiatives but you may vote no on all of them as 172 is still the law and does not expire at the end of two years but will remain the law unless and until the legislature by its action or the people by initiative repeal it. Initiative No. 178 will repeal it and for two years the legislature can do nothing about it.

**Vote AGAINST Initiative 178 and let the 1951 Legislature handle the job!**

Senior Citizens' League,  
3111 Birchwood Ave.,  
Bellingham, Wash.

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STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State July 20, 1950.

ARL COE,  
Secretary of State.