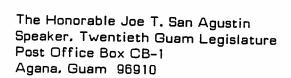


Territory of Guam Teritorion Guam

OFFICE OF THE GOVERNOR UFISINAN I MAGA'LAHI AGANA, GUAM 96910 U.S.A.

SEP 1 4 1989



Dear Mr. Speaker:

Transmitted herewith is Bill No. 773, which I have signed into law this date as Public Law 20-76.

MEC on of

Sincerely,

JOSÉPH F. ADA

Governor

Attachment

200454

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TWENTIETH GUAM LEGISLATURE 1989 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 773 (LS), "AN ACT TO REVISE THE STANDARDS OF ASSISTANCE FOR RECEIVING PUBLIC ASSISTANCE", was on the 31st day of August, 1989, duly and regularly passed.

JOE T. SAN AGUSTIN Speaker

Attested:

PILAR C. LUJAN
Senator and Legislative Secretary

This Act was received by the Governor this at $\sqrt{35}$ o'clock ρ .m.

Assistant Staff Officer Governor's Office

APPROVED:

OSEPH F. ADA Covernor of Guam

Date: September 14, 1989

Public Law No. 20-76

REPRODUCED AT GOVERNMENT EXPENSE

والمتألف المختفات والمتألف والمتالية

TWENTIETH GUAM LEGISLATURE 1989 (FIRST) Regular Session

Bill No. 773 (LS) As substituted

Introduced by:

J. T. San Agustin M. C. Ruth

T. V. C. Tanaka

T. S. Nelson

P. C. Lujan

E. P. Arriola

C. T. C. Gutierrez

J. P. Aguon

J. G. Bamba

M. Z. Bordallo D. F. Brooks

H. D. Dierking

E. R. Duenas

E. M. Espaldon

G. Mailloux

M. D. A. Manibusan

D. Parkinson

F. J. A. Quitugua

E. D. Reyes

F. R. Santos

A. R. Unpingco

AN ACT TO REVISE THE STANDARDS OF ASSISTANCE FOR RECEIVING PUBLIC ASSISTANCE.

BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM: Legislative findings. The Twentieth Guam Legislature finds that the standards of assistance for the territory have not been revised since 1967. These standards of assistance are the need standards by which eligibility for public assistance is determined. In simple terms, a need standard is the minimal amount of money determined to be essential to meet a minimal standard of living and includes such things as the cost of food, clothing, shelter, utilities, household items and other personal needs. The Legislature further finds that, inasmuch as prices for food,

shelter, clothing, and other necessities have gone up threefold or more in the intervening twenty (20) years, there is a critical need to revise these

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standards to reflect the current minimal requirements of our community's needy population. In 1983, the Department of Public Health and Social Services did in fact produce a study which recommended such revisions.

Section 2. Revision of standards. The Department of Public Health and Social Services shall implement the revisions of the Public Assistance Standards as recommended in the June 1983, Standards of Assistance Study issued by the Department of Public Health and Social Services Standards Assistance Committee.

Section 3. Study every five years. The Department of Public Health and Social Services shall perform a Standard of Assistance Study every five (5) years and shall submit the results to the Legislature. The first study shall be completed one (1) year after the effective date of this Act.

TOTAL TAL COTTUINING LEAFENSE

TWENTIETH GUAM LEGISLATURE 1989 (FIRST) Regular Session

ROLL CALL SHEET

Bill No. <u>773</u>			Date:	· 8131/89
Resolution No.				•
QUESTION:				
·.	AYE	NAY	NOT VOTING	ABSENT
J. P. Aguon				
E. P. Arriola				
J. G. Bamba	/			
M. Z. Bordallo	/			
D. F. Brooks				
H. D. Dierking	~			
E. R. Duenas				
E. M. Espaldon				
C. T. C. Gutierrez				
P. C. Lujan				
G. Mailloux				
M. D. A. Manibusan				
T. S. Nelson	/			
D. Parkinson	V			
F. J. A. Quitugua				
E. D. Reyes	/			:
M. C. Ruth	/			
J. T. San Agustin	/			
F. R. Santos				
T. V. C. Tanaka	V			
A. R. Unpingeo				
	A))			

JUN 16'89

TWENTIETH GUAM LEGISLATURE 1989 (FIRST) REGULAR SESSION

Bill No. 773 (CS)

Introduced by:

AN ACT TO REVISE THE STANDARDS OF ASSISTANCE FOR RECEIVING PUBLIC ASSISTANCE

BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

Section 1. Legislative Findings. It is the findings of the Twentieth Guam Legislature that the Standards of Assistance for the Territory have not been revised since 1967. These Standards of Assistance are the need standards by which eligibility for public assistance is determined. In simple terms, a need standard is the minimal amount of money determined to be essential to meet a minimal standard of living and includes such things as the cost of food, clothing, shelter, utilities, household items and other personal needs.

It is the further findings of the Legislature that, inasmuch as prices for food, shelter, clothing, and other necessities have gone up threefold or more in the intervening 20 years, there is a critical need to revise these standards to reflect the current minimal requirements of our community's needy population. In 1983, the Department of Public Health and Social Services did in fact produce a study which recommended such revisions.

Section 2. The Department of Public Health and Social Services shall implement the revisions of the Public Assistance Standards as recommended in the August 1983, Standards of Assistance Study issued by the Department of Public Health and Social Services Standards Assistance Committee.





Ionator Madoloino J. Bordallo

CHAIRPERSON

COMMITTEE ON HEALTH, WELFARE & ECOLOGY

VICE CHAIRPERSON:

COMMITTEE ON HOUSING & COMMUNITY DEVELOPMENT

COMMITTEE ON ECONOMIC DEVELOPMENT

MEMBER:

Committee on Energy, Utilities & Consumer Protection

Committee on General Governmental Operations

Committee on Justice, Judiciary & Criminal Justice

Committee on Youth, Human Resources, Senior Citizens & Cultural Affairs

Committee on Rules

Legislative Member Commission on Self-Determination

TWENTIETH GUAM LEGISLATURE

163 Chalan Santo Papa Agana, Guam 96910 Tel: 472-3425/3426/3427

August 24, 1989

Honorable Joe T. San Agustin Speaker, Twentieth Guam Legislature 163 Chalan Santo Papa Agana, Guam 96910

Dear Mr. Speaker:

The Committee on Health, Welfare and Ecology, to which was referred Bill No. 773, AN ACT TO REVISE THE STANDARDS OF ASSISTANCE FOR RECEIVING PUBLIC ASSISTANCE does recommend that the Bill, as Substituted, be Passed by the Twentieth Guam Legislature.

Votes of the Committee Members are as follow:

To Pass	11	
To Not Pass	<u>o</u>	
To Report Out Only		
To Place In The Inactive File	<u>0</u>	
Abstained		
Off-Island		
Not Available	1	

Respectfully submitted,

MADELEINE Z. BORDALLO

Enclosures



- COMMITTEE ON HEALTH, WELFARE AND ECOLOGY

COMMITTEE REPORT ON SUBSTITUTE BILL NO. 773

"AN ACT TO REVISE THE STANDARDS OF ASSISTANCE FOR RECEIVING PUBLIC ASSISTANCE."

PREFACE

A Public Hearing on Bill No. 773 was conducted by the Committee on Health, Welfare and Ecology on August 11, 1989 at 9:30 a.m. in the Legislative Session Hall.

Members Present: Chairperson Senator Madeleine Z. Bordallo; Senator Tony R. Unpingco.

Witnesses Heard: Myrna San Nicolas, DPHSS; Frank Portusach, Commissioner of Agana Heights. Written Testimony: Speaker Joe T. San Agustin, sponsor.

SUMMARY OF TESTIMONY

Welfare payments have not been revised since 1967. While other transfer payment programs have been implemented since that time, such as food stamps, and public housing, and despite the recent increase in the utility allowance afforded to recipients under this program, assistance levels are very low. The bill sets payments at the 1983 level; DPHSS notes a 37.6% increase in the consumer price index for Guam since that time. The payments are now considered supplemental to other forms of assistance. Stricter monitoring of program participants and networking between programs are improving program efficiency. There will be some offsetting effects, as higher levels of welfare assistance may decrease benefit effects, as higher levels of welfare assistance may decrease benefit levels from other programs. The cost to the government, of Bill No. 773 as introduced, is estimated to be an additional \$10,736,328 annually.

COMMITTEE FINDINGS/RECOMMENDATIONS

The Committee finds the proposed increase to be justified, and recognizes the stricter targeting of program benefits to the "truly needy" through the interagency State Income and Employment Verification System (SIEVS).

The Author has substituted the original bill to correct a citation.

The Committee therefore recommends that Bill No. 773 be Passed by the Twentieth Guam Legislature.

ATTACHMENTS

- Committee Voting Sheet on Substitute Bill No. 773.
- Bill No. 773, as Substituted by the Author. Bill No. 773, as referred to committee. 2.
- 3.
- Testimony of Dept. of Public Health and Social Services. 4.
- 5. Testimony of Sponsor.
- Fiscal Note from BBMR. 6.
- Committee Members Attendance Sheet. 7.
- 8. Witnesses Attendance Sheet.



COMMITTEE ON HEALTH, WELFARE AND ECOLOGY

VOTING SHEET

SUBSTITUTE BILL NO. 773

"AN ACT TO REVISE THE STANDARDS OF ASSISTANCE FOR RECEIVING PUBLIC ASSISTANCE."

COMMITTEE MEMBER	TO PASS	NOT TO PASS	TO REPORT	TO PLACE IN INACTIVE FILE
MADELETNE Z. BORDALLO Chajrperson		···		
GORDON MAILLOUX Vice-Chairperson				
ELIZABETH P. ARRIOLA Member	<u> </u>			
HERMINIA D. DIERKING	<u>√</u>			
Member PILAR C. AUJAN	/			
Member TED 8. NELSON				
Member				
EDWARD D. REYES Member	/			
ERNESTO ESPALDON Member				
MARILYN D.A. MANIBUSAN Member				
MARTHA C. RUTH Member	8/2	2/89		
TOMMY TANAKA Member				
ANTONIO R. UNPINGCO				



TWENTIETH GUAM LEGISLATURE 1989 (FIRST) REGULAR SESSION

BILL No. 773 As SUBSTITUTED

INTRODUCED BY:

J.T. SAN AGUSTIN

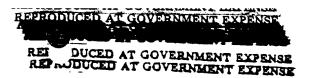
AN ACT TO REVISE THE STANDARDS OF ASSISTANCE FOR RECEIVING PUBLIC ASSISTANCE

BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

SECTION 1. LEGISLATIVE FINDINGS. IT IS THE FINDINGS OF THE TWENTIETH GUAM LEGISLATURE THAT THE STANDARDS OF ASSISTANCE FOR THE TERRITORY HAVE NOT BEEN REVISED SINCE 1967. THESE STANDARDS OF ASSISTANCE ARE THE NEED STANDARDS BY WHICH ELIGIBILITY FOR PUBLIC ASSISTANCE IS DETERMINED. IN SIMPLE TERMS, A NEED STANDARD IS THE MINIMAL AMOUNT OF MONEY DETERMINED TO BE ESSENTIAL TO MEET A MINIMAL STANDARD OF LIVING AND INCLUDES SUCH THINGS AS THE COST OF FOOD, CLOTHING, SHELTER, UTILITIES, HOUSEHOLD ITEMS AND OTHER PERSONAL NEEDS.

IT IS THE FURTHER FINDINGS OF THE LEGISLATURE THAT, INASMUCH AS PRICES FOR FOOD, SHELTER, CLOTHING, AND OTHER NECESSITIES HAVE GONE UP THREEFOLD OR MORE IN THE INTERVENING 20 YEARS, THERE IS A CRITICAL NEED TO REVISE THESE STANDARDS TO REFLECT THE CURRENT MINIMAL REQUIREMENTS OF OUR COMMUNITY'S NEEDY POPULATION. IN 1983, THE DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES DID IN FACT PRODUCE A STUDY WHICH RECOMMENDED SUCH REVISIONS.

SECTION 2. THE DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES SHALL IMPLEMENT THE REVISIONS OF THE PUBLIC ASSISTANCE STANDARDS AS RECOMMENDED IN THE JUNE 1983, STANDARDS OF ASSISTANCE STUDY ISSUED BY THE DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES STANDARDS ASSISTANCE COMMITTEE.



THEITTETH GUAN LEGISLATURE 89 JUN 15 FI 4: 04 1989 (FIRST) PECULAR SESSION

Bill No. 773

Introduced by:

AN ACT TO REVISE THE STANDARDS OF ASSISTANCE FOR RECEIVING PUBLIC ASSISTANCE

DE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

Section 1. Legislative Findings. It is the findings of the Twentieth Cuam Legislature that the Standards of Assistance for the Territory have not been revised since 1967. These Standards of Assistance are the need standards by which eligibility for public assistance is determined. In simple terms, a need standard is the minimal amount of money determined to be essential to meet a minimal standard of living and includes such things as the cost of food, clothing, shelter, utilities, household items and other personal needs.

It is the further findings of the Legislature that, inasmuch as prices for food, shelter, clothing, and other necessities have gone up threefold or more in the intervening 20 years, there is a critical need to revise these standards to reflect the current minimal requirements of our community's needy population. In 1983, the Department of Public Health and Social Services did in fact produce a study which recommended such revisions.

Section 2. The Department of Public Health and Social Services shall implement the revisions of the Public Assistance Standards as recommended in the August 1983, Standards of Assistance Study issued by the Department of Public Health and Social Services Standards Assistance Committee.





DEPARTMENT OF PUBLIC HEALTH AND SOCIAL SERVICES

GOVERNMENT OF GUAM
P. O. BOX 2816
AGANA, GUAM 96910



AUG 1 0 1989

Senator Madeleine Z. Bordallo Chairperson, Committee on Health, Welfare and Ecology Twentieth Guam Legislature 163 Chalan Santo Papa Agana, Guam 96910

Re: Comments on Bill 773

Madam Chairperson:

Thank you for allowing me the opportunity to comment on Bill 773, which is an act to revise the standards of assistance for receiving public assistance.

The Department is in support of the intent of Bill 773. As you may be aware, the Governor is also very much in support of this Bill which will provide increased benefits to the needy individuals on Guam. This bill will help welfare recipients meet the cost of living increases.

Bill 773 will increase the need standard as recommended in the Standards of Assistance Study done by the Department in August 1983. However, I recommend that the Bill address the cost of living increases since 1983 based on Guam's Consumer Price Index as provided by the Department of Commerce. There has been an increase of 37.6% from 1983 to 1989. This is imperative as Government of Guam, federal, and employees from the private sectors have received salary increases, which were justified to meet the spiraling costs of living in Guam.

In July 1989, the Department implemented the standard utility allowance increase in order to help recipients meet their utility expenses. However, this increase did not address the allowances for basic needs, which include clothing, personal incidentals, household supplies, food and shelter.

If Bill 773 is passed these items in the need standard will be addressed. If Bill 773 is to be implemented, the welfare expenditures will be increased by \$894,694 monthly. The following is a table of anticipated changes based on the 1983 proposal:



Household Size	No. of Cases	<u>Current</u> <u>Standard</u>	<u>Current</u> <u>Payments</u>	Proposed Standards	Proposed Payments
1 2 3 4 5 6 7 8 9	1,003 363 263 220 141 61 38 19 10	\$140 199 260 305 336 366 396 411 476 462	\$140,420 72,237 68,380 67,100 47,376 22,326 15,048 7,809 4,760 1,386	\$414 531 663 766 862 972 1,128 1,230 1,330	\$415,242 192,753 174,369 168,520 121,542 59,292 42,864 23,370 13,300
TOTAL	•••••••	**********	.\$320,842.	1,428	4,284 51,215,536

Proposed Monthly Payment (1983 Study) Subtract Current Monthly Payment	\$1,215,536 320,842	
Proposed Monthly Increase	\$ 894,694	Difference
Proposed Annual Increase	$\frac{x}{10,736,328}$	

Based on the current caseload count times the current standard, the average monthly disbursement amounts to \$320,842. If the need standard that was developed in 1983 is implemented, the cost will increase expenditures to \$1,215,536. The difference is the increase of \$894,694 monthly or an increase of \$10,736,328 to the miscellaneous budget for public assistance for FY 1990.

I am sure the public assistance recipients' plight will be greatly helped by the implementation of Bill 773. Again, Thank you for allowing me to comment on the Bill

Sincerely,

Director





Office of the Speaker

TWENTIETH GUAM LEGISLATURE

163 Chalan Santo Papa Agana, Guam U.S.A. 96910 Tel: (671) 477-8527/9120 • Fax: (671) 477-5570

August 11, 1989

Senator Madeleine Z. Bordallo Chairperson Committee on Health, Welfare & Ecology 20th Guam Legislature 163 Chalan Santo Papa Agana, Guam 96910

Dear Senator Bordallo:

I am pleased this Committee is proceeding to hold a public hearing on Bill No. 773 which I introduced. This legislation would made the implementation of the 1983 Standards of Assistance Study conducted by Public Health which recommended specific revisions of these standards. These standards are a determination of the minimum requirements of needy families. Effectively, they determine the amount of public assistance which the poor in our society will receive.

Incredible as it may seem, the Public Health's Standards of Assistance have not been revised since 1967. Consequently, assistance payments to the poor have also not changed since then. Clearly, this does not make sense given that the cost of living has risen sharply over the past 20 years. Although statistics on the cost of living are not readily available prior to 1978, an examination of CPI since 1978 clearly demonstrates that a need exists to revise these standards. The 2nd Quarter 1989 Consumer Price Index shows that the cost of living on Guam has risen 246.3% since 1978. A breakdown of this increase by category is as follows:

Category Percentage increase since 1978

Food & Beverage	324.8%
Housing	200.6%
Apparel & Upkeep	144.1%
Transportation	281.4%
Medical Care	283.2%
Entertainment	206.7%
Other Goods & Services	234.4%



Senator Madeleine Z. Bordallo August 11, 1989 Page 2

Please keep in mind these are only the increases in the past 10 years. the actual increase in the cost of living over the past 20 years is probably double these percentages.

There is a clear question as to whether these 20 year old standards of assistance adequately reflect the true needs of our community's poor. Simple compassion requires us all to examine this issue.

I look forward to your Committee's review of this matter.

Sincerely yours,

JOE T. SAN AGUSTIN

I	PROGRAM: P	UBLIC ASSISTANCE
u	DEPARTMENT:	DPH&SS

III DIVISION: BUREAU OF ECONOMIC SECURITY

IMPACT statement

The mission of the Bureau of Economic Security (BES) is to provide assistance to the needy and disadvantaged individuals who meet the requirements of the programs so that they may maintain a minimum standard of living. Bureau of Economic Security (BES) is composed of four (4) sections: Certification, Program Management, Support and Benefit Issuance and Work Programs.

Certification Section is made up of Food Stamp and Public Assistance Units, with units located in central Public Health and at satellite offices. The primary responsibility of the Certification Section is to conduct intake, determine eligibility for Food Stamps, Fublic Assistance, General Assistance, and Medicaid, and compute benefits for eligible households. Processing of benefits is performed on-line through the CRTs. Approximately 3,500 cases are processed on a monthly basis.

Program Management Section is composed of Program Coordinators and management Analysts positions and have the duties and responsibilities of developing program policies and procedures; monitoring and evaluating the effectiveness and efficiency of existing policies and procedures, developing, implementing and evaluating corrective action plans aimed at reducing program error rates; compiles and analyze statistical reports, and coordinates training needs of the Bureau.

The Administrative Support Section provides the clerical support to all sections in the Bureau, prepares statistical reports. issues medicald cards, Food Stamp ID cards and Authorized to Purchase (ATP) cards. it also operates the reception area which performs basic intake of clients. It is also responsible for the control and maintenance of approximately 8000 case records, including in-active case records.

The Work Frograms oversees the Employment and Training Frogram for the Food Stamp clients and the Job Opportunities and Basic Skills (JOBS) Frogram for the Aid to Families with Dependent Children (AFDC).

The program is anticipating to increase the Standard Utility Allowance to make it comparable with Standard Utility Allowance for Food Stamp and GHURA clients. The Public Assistance clients can pay for their utility services without much hardship with this increase. The current need standard provides for \$22 for a household of five members; the proposed standard provides for \$86 including sewer services. The increase in Standard Utility Allowance is expected to cost about \$1,800,000. No additional funds are requested to meet increase at this time. The program will be monitored quarterly to determine whether additional funds are needed to carry the program for the Fiscal Year. The program may not need to request supplemental because it has been experiencing continued reduction in its caseload due to the activities of the State Wage Matching Collection Agency and other program activities, such as training and updating of policies and procedures.



The basic allowance in the need standard is not addressed; only the utility allowance is addressed. This is so because the attempts to increase the total need standard for Public Assistance would have costs more than \$18,000,000. This cost is more local funds since Guam has a established federal ceiling of only \$3,800,000.

The Public Assistance Program anticipates that if all the budgeted positions are filled, the program can easily achieve the reduction in errors. The program will continue its efforts in the reduction of errors to the tolerance error rate.





BUREAU OF BUDGET & MANAGEMENT RESEARCH OFFICE OF THE GOVERNOR, POST Office Box 2950, Agana, Guam 96910



HERMINIA D. DIERKING
Director

BERTHA L. DUENAS
Deputy Director

AUG 22 1989

The Bureau requests that Bill No. 773(LS) be granted a waiver pursuant to Public Law 12-229 for the following reasons:

The Bill proposes to revise the standards utilized in qualifying for public assistance as recommended by the Department of Public Health and Social Services in their standard of assistance study, dated August 1983. The revision is administrative in nature and has no fiscal impact at this time.

Joseph & Rivera Jo. MICHAEL J. REIDY



ATTENDANCE SHEET

TWENTIETH GUAM LEGISLATURE COMMITTEE ON HEALTH, WELFARE, AND ECOLOGY

PUBLIC H	EARING D	BIL. ATE: <u>Aug. 11, 1989</u> on <u>F</u>	1 No. 773: Receiving Public Assistance.
			INITIAL
1.	SPEAKER	SAN AGUSTIN, JOE T.	
2.	SENATOR	AGUON, JOHN P.	
3.	SENATOR	ARRIOLA, ELIZABETH P. (M)	
4.	SENATOR	DIERKING, HERMINIA D. (M)	
5.	SENATOR	GUTIERREZ, CARL T.C.	
6.	SENATOR	LUJAN, PILAR C. (M)	
7.	SENATOR	MAILLOUX, GORDON (M)	
8.	SENATOR	NELSON, TED S. (M)	
9.	SENATOR	PARKINSON, DON	
10.	SENATOR	QUITUGUA, FRANKLIN J.A.	
11.	SENATOR	REYES, EDWARD D. (M)	
12.	SENATOR	SANTOS, FRANK R.	•
13.	SENATOR	BAMBA, GEORGE J.	
14.	SENATOR	BROOKS, DORIS F.	
15.	SENATOR	DUENAS, EDDIE R.	·
16.	SENATOR	ESPALDON, ERNESTO (M)	
17.	SENATOR	MANIBUSAN, MARILYN D.A. (M)	
18.	SENATOR	RUTH, MARTHA C. (M)	
19.	SENATOR	TANARA, TOMMY (M)	
20.	SENATOR	UNPINGCO, TONY R. (M)	The state of the s

COMMITTEE ON HEALTH, WELFARE AND ECOLOGY

BILL 173: Revise Standards of Assistance for receiving public assistance.

NAME		TESTIMONY		AGENCY / INTEREST GROUP	COMMENT	
MYRNA SANNICOIAS FRANK PORTUSAC	SIGN: D. John Mesky h. Intorhesack	WRITTEN:	ORAL:	Dept of PH + SS	FAVOR:	AGAINST:
LAURE		• •				
•					•	
