

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1081

Introduced by Campbell, 25; Mello, 5.

Read first time January 20, 2016

Committee: Health and Human Services

- 1 A BILL FOR AN ACT relating to public assistance; to amend sections
2 43-512, 68-1201, 68-1713, and 68-1726, Revised Statutes Supplement,
3 2015; to change provisions relating to eligibility for public
4 assistance; to harmonize provisions; and to repeal the original
5 sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 43-512, Revised Statutes Supplement, 2015, is
2 amended to read:

3 43-512 (1) Any dependent child as defined in section 43-504 or any
4 relative or eligible caretaker of such a dependent child may file with
5 the Department of Health and Human Services a written application for
6 financial assistance for such child on forms furnished by the department.

7 (2) The department, through its agents and employees, shall make
8 such investigation pursuant to the application as it deems necessary or
9 as may be required by the county attorney or authorized attorney. If the
10 investigation or the application for financial assistance discloses that
11 such child has a parent or stepparent who is able to contribute to the
12 support of such child and has failed to do so, a copy of the finding of
13 such investigation and a copy of the application shall immediately be
14 filed with the county attorney or authorized attorney.

15 (3) The department shall make a finding as to whether the
16 application referred to in subsection (1) of this section should be
17 allowed or denied. If the department finds that the application should be
18 allowed, the department shall further find the amount of monthly
19 assistance which should be paid with reference to such dependent child.
20 Except as may be otherwise provided, payments shall be made by unit size
21 and shall be consistent with subdivisions ~~subdivision~~ (1)(p), (1)(q), (1)
22 (t), and (1)(u) of section 68-1713. Beginning on August 30, 2015, the
23 maximum payment level for monthly assistance shall be fifty-five percent
24 of the standard of need described in section 43-513.

25 No payments shall be made for amounts totaling less than ten dollars
26 per month except in the recovery of overpayments.

27 (4) The amount which shall be paid as assistance with respect to a
28 dependent child shall be based in each case upon the conditions disclosed
29 by the investigation made by the department. An appeal shall lie from the
30 finding made in each case to the chief executive officer of the
31 department or his or her designated representative. Such appeal may be

1 taken by any taxpayer or by any relative of such child. Proceedings for
2 and upon appeal shall be conducted in the same manner as provided for in
3 section 68-1016.

4 (5)(a) For the purpose of preventing dependency, the department
5 shall adopt and promulgate rules and regulations providing for services
6 to former and potential recipients of aid to dependent children and
7 medical assistance benefits. The department shall adopt and promulgate
8 rules and regulations establishing programs and cooperating with programs
9 of work incentive, work experience, job training, and education. The
10 provisions of this section with regard to determination of need, amount
11 of payment, maximum payment, and method of payment shall not be
12 applicable to families or children included in such programs. Income and
13 assets described in section 68-1201 shall not be included in
14 determination of need under this section.

15 (b) If a recipient of aid to dependent children becomes ineligible
16 for aid to dependent children as a result of increased hours of
17 employment or increased income from employment after having participated
18 in any of the programs established pursuant to subdivision (a) of this
19 subsection, the recipient may be eligible for the following benefits, as
20 provided in rules and regulations of the department in accordance with
21 sections 402, 417, and 1925 of the federal Social Security Act, as
22 amended, Public Law 100-485, in order to help the family during the
23 transition from public assistance to independence:

24 (i) An ongoing transitional payment that is intended to meet the
25 family's ongoing basic needs which may include food, clothing, shelter,
26 utilities, household goods, personal care items, and general incidental
27 expenses during the five months following the time the family becomes
28 ineligible for assistance under the aid to dependent children program, if
29 the family's earned income is at or below one hundred eighty-five percent
30 of the federal poverty level at the time the family becomes ineligible
31 for the aid to dependent children program. Payments shall be made in five

1 monthly payments, each equal to one-fifth of the aid to dependent
2 children payment standard for the family's size at the time the family
3 becomes ineligible for the aid to dependent children program. If during
4 the five-month period, (A) the family's earnings exceed one hundred
5 eighty-five percent of the federal poverty level, (B) the family members
6 are no longer working, (C) the family ceases to be Nebraska residents,
7 (D) there is no longer a minor child in the family's household, or (E)
8 the family again becomes eligible for the aid to dependent children
9 program, the family shall become ineligible for any remaining
10 transitional benefits under this subdivision;

11 (ii) Child care as provided in subdivision (1)(c) of section
12 68-1724; and

13 (iii) Except as may be provided in accordance with subsection (2) of
14 section 68-1713 and subdivision (1)(c) of section 68-1724, medical
15 assistance for up to twelve months after the month the recipient becomes
16 employed and is no longer eligible for aid to dependent children.

17 (6) For purposes of sections 43-512 to 43-512.18:

18 (a) Authorized attorney shall mean an attorney, employed by the
19 county subject to the approval of the county board, employed by the
20 department, or appointed by the court, who is authorized to investigate
21 and prosecute child, spousal, and medical support cases. An authorized
22 attorney shall represent the state as provided in section 43-512.03;

23 (b) Child support shall be defined as provided in section 43-1705;

24 (c) Medical support shall include all expenses associated with the
25 birth of a child, cash medical support as defined in section 42-369,
26 health care coverage as defined in section 44-3,144, and medical and
27 hospital insurance coverage or membership in a health maintenance
28 organization or preferred provider organization;

29 (d) Spousal support shall be defined as provided in section 43-1715;

30 (e) State Disbursement Unit shall be defined as provided in section
31 43-3341; and

1 (f) Support shall be defined as provided in section 43-3313.

2 Sec. 2. Section 68-1201, Revised Statutes Supplement, 2015, is
3 amended to read:

4 68-1201 In determining eligibility for the program for aid to
5 dependent children pursuant to section 43-512 as administered by the
6 State of Nebraska pursuant to the federal Temporary Assistance for Needy
7 Families program, 42 U.S.C. 601 et seq., for the Supplemental Nutrition
8 Assistance Program administered by the State of Nebraska pursuant to the
9 federal Food and Nutrition Act of 2008, 7 U.S.C. 2011 et seq., and for
10 the child care subsidy program established pursuant to section 68-1202,
11 the following shall not be included in determining assets or income:

12 (1) Assets in or income from an educational savings account, a
13 Coverdell educational savings account described in 26 U.S.C. 530, a
14 qualified tuition program established pursuant to 26 U.S.C. 529, or any
15 similar savings account or plan established to save for qualified higher
16 education expenses as defined in section 85-1802;

17 (2) Income from scholarships or grants related to postsecondary
18 education, whether merit-based, need-based, or a combination thereof;

19 (3) Income from postsecondary educational work-study programs,
20 whether federally funded, funded by a postsecondary educational
21 institution, or funded from any other source; ~~and~~

22 (4) Assets in or income from an account under a qualified program as
23 provided in section 77-1402; and -

24 (5) Income received for participation in grant-funded research on
25 the impact that income has on the development of children in low-income
26 families, except that such exclusion of income must not exceed four
27 thousand dollars per year for a maximum of four years.

28 Sec. 3. Section 68-1713, Revised Statutes Supplement, 2015, is
29 amended to read:

30 68-1713 (1) The Department of Health and Human Services shall
31 implement the following policies:

- 1 (a) Permit Work Experience in Private for-Profit Enterprises;
- 2 (b) Permit Job Search;
- 3 (c) Permit Employment to be Considered a Program Component;
- 4 (d) Make Sanctions More Stringent to Emphasize Participant
- 5 Obligations;
- 6 (e) Alternative Hearing Process;
- 7 (f) Permit Adults in Two-Parent Households to Participate in
- 8 Activities Based on Their Self-Sufficiency Needs;
- 9 (g) Eliminate Exemptions for Individuals with Children Between the
- 10 Ages of 12 Weeks and Age Six;
- 11 (h) Providing Poor Working Families with Transitional Child Care to
- 12 Ease the Transition from Welfare to Self-Sufficiency;
- 13 (i) Provide Transitional Health Care for 12 Months After Termination
- 14 of ADC if funding for such transitional medical assistance is available
- 15 under Title XIX of the federal Social Security Act, as amended, as
- 16 described in section 68-906;
- 17 (j) Require Adults to Ensure that Children in the Family Unit Attend
- 18 School;
- 19 (k) Encourage Minor Parents to Live with Their Parents;
- 20 (l) Establish a Resource Limit of \$4,000 for a single individual and
- 21 \$6,000 for two or more individuals for ADC;
- 22 (m) Exclude the Value of One Vehicle Per Family When Determining ADC
- 23 Eligibility;
- 24 (n) Exclude the Cash Value of Life Insurance Policies in Calculating
- 25 Resources for ADC;
- 26 (o) Establish the Supplemental Nutrition Assistance Program as a
- 27 Continuous Benefit with Eligibility Reevaluated with Yearly
- 28 Redeterminations;
- 29 (p) Establish a Budget the Gap Methodology Whereby Countable Earned
- 30 Income is Subtracted from the Standard of the Need and Payment is Based
- 31 on the Difference or Maximum Payment Level, Whichever is Less. That this

1 Gap be Established at a Level that Encourages Work but at Least at a
2 Level that Ensures that Those Currently Eligible for ADC do not Lose
3 Eligibility Because of the Adoption of this Methodology;

4 (q) Adopt an Earned Income Disregard described in section 68-1726 in
5 the ADC Program, One Hundred Dollars in the Related Medical Assistance
6 Program, and Income and Assets Described in section 68-1201;

7 (r) Disregard Financial Assistance Described in section 68-1201 and
8 Other Financial Assistance Intended for Books, Tuition, or Other Self-
9 Sufficiency Related Use;

10 (s) Culture: Eliminate the 100-Hour Rule, The Quarter of Work
11 Requirement, and The 30-Day Unemployed/Underemployed Period for ADC-UP
12 Eligibility; ~~and~~

13 (t) Make ADC a Time-Limited Program; ~~and~~ -

14 (u) Adopt an Unearned Income Disregard described in section 68-1201
15 in the ADC Program, the Supplemental Nutrition Assistance Program, and
16 the Child Care Subsidy Program established pursuant to 68-1202.

17 (2) The Department of Health and Human Services shall (a) apply for
18 a waiver to allow for a sliding-fee schedule for the population served by
19 the caretaker relative program or (b) pursue other public or private
20 mechanisms, to provide for transitional health care benefits to
21 individuals and families who do not qualify for cash assistance. It is
22 the intent of the Legislature that transitional health care coverage be
23 made available on a sliding-scale basis to individuals and families with
24 incomes up to one hundred eighty-five percent of the federal poverty
25 level if other health care coverage is not available.

26 Sec. 4. Section 68-1726, Revised Statutes Supplement, 2015, is
27 amended to read:

28 68-1726 Based on the comprehensive assets assessment, each
29 individual and family receiving assistance under the Welfare Reform Act
30 shall reach for his or her highest level of economic self-sufficiency or
31 the family's highest level of economic self-sufficiency. The following

1 eligibility factors shall apply:

2 (1) Financial resources, excluding the primary home and furnishings
3 and the primary automobile, shall not exceed four thousand dollars in
4 value for a single individual and six thousand dollars in value for two
5 or more individuals;

6 (2) Available resources, including, but not limited to, savings
7 accounts and real estate, shall be used in determining financial
8 resources, except that income and assets described in sections ~~section~~
9 68-1201 and 68-1713 shall not be included in determination of available
10 resources under this section;

11 (3) Income received by family members, except income earned by
12 children attending school and except as provided in section 68-1201,
13 shall be considered in determining total family income. Income earned by
14 an individual or a family by working shall be treated differently than
15 unearned income in determining the amount of cash assistance as follows:

16 (a) Earned income shall be counted in determining the level of cash
17 assistance after disregarding an amount of earned income as follows:

18 (i) Twenty percent of gross earned income shall be disregarded to
19 test for eligibility during the application process for aid to dependent
20 children assistance; and

21 (ii) For aid to dependent children program participants and for
22 applicants after eligibility has been established, fifty percent of the
23 gross earned income shall be disregarded;

24 (b) Financial assistance provided by other programs that support the
25 transition to economic self-sufficiency shall be considered to the extent
26 the payments are intended to provide for life's necessities; and

27 (c) Financial assistance or those portions of it intended for books,
28 tuition, or other self-sufficiency-related expenses shall not be counted
29 in determining financial resources. Such assistance shall include, but
30 not be limited to, school grants, scholarships, vocational rehabilitation
31 payments, Job Training Partnership Act payments, income or assets

1 described in section 68-1201, and education-related loans or other loans
2 that are expected to be repaid; and

3 (4) Individuals and families shall pursue potential sources of
4 economic support, including, but not limited to, unemployment
5 compensation and child support.

6 Sec. 5. Original sections 43-512, 68-1201, 68-1713, and 68-1726,
7 Revised Statutes Supplement, 2015, are repealed.