

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1081**

FINAL READING

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 68-1708 and 68-1721, Revised Statutes Cumulative Supplement, 2014,  
3 and sections 43-512, 68-1201, 68-1713, and 68-1726, Revised Statutes  
4 Supplement, 2015; to change provisions relating to eligibility for  
5 public assistance; to eliminate termination dates relating to self-  
6 sufficiency contracts; to harmonize provisions; to repeal the  
7 original sections; and to outright repeal section 68-1735.04,  
8 Revised Statutes Cumulative Supplement, 2014.  
9 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 low-income home energy  
8 assistance program administered by the State of Nebraska pursuant to the  
9 federal Energy Policy Act of 2005, 42 U.S.C. 8621 to 8630, for the  
10 Supplemental Nutrition Assistance Program administered by the State of  
11 Nebraska pursuant to the federal Food and Nutrition Act of 2008, 7 U.S.C.  
12 2011 et seq., and for the child care subsidy program established pursuant  
13 to section 68-1202, the following shall not be included in determining  
14 assets or income:

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

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

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

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

27 (5) Income received for participation in grant-funded research on  
28 the impact that income has on the development of children in low-income  
29 families, except that such exclusion of income must not exceed four  
30 thousand dollars per year for a maximum of four years and such exclusion  
31 shall only be made if the exclusion is permissible under federal law for

1 each program referenced in this section. No such exclusion shall be made  
2 for such income on or after December 31, 2022.

3 Sec. 3. Section 68-1708, Revised Statutes Cumulative Supplement,  
4 2014, is amended to read:

5 68-1708 Sections 68-1708 to 68-1735.03 ~~68-1735.04~~ shall be known and  
6 may be cited as the Welfare Reform Act.

7 Sec. 4. Section 68-1713, Revised Statutes Supplement, 2015, is  
8 amended to read:

9 68-1713 (1) The Department of Health and Human Services shall  
10 implement the following policies:

11 (a) Permit Work Experience in Private for-Profit Enterprises;

12 (b) Permit Job Search;

13 (c) Permit Employment to be Considered a Program Component;

14 (d) Make Sanctions More Stringent to Emphasize Participant  
15 Obligations;

16 (e) Alternative Hearing Process;

17 (f) Permit Adults in Two-Parent Households to Participate in  
18 Activities Based on Their Self-Sufficiency Needs;

19 (g) Eliminate Exemptions for Individuals with Children Between the  
20 Ages of 12 Weeks and Age Six;

21 (h) Providing Poor Working Families with Transitional Child Care to  
22 Ease the Transition from Welfare to Self-Sufficiency;

23 (i) Provide Transitional Health Care for 12 Months After Termination  
24 of ADC if funding for such transitional medical assistance is available  
25 under Title XIX of the federal Social Security Act, as amended, as  
26 described in section 68-906;

27 (j) Require Adults to Ensure that Children in the Family Unit Attend  
28 School;

29 (k) Encourage Minor Parents to Live with Their Parents;

30 (l) Establish a Resource Limit of \$4,000 for a single individual and  
31 \$6,000 for two or more individuals for ADC;

1 (m) Exclude the Value of One Vehicle Per Family When Determining ADC  
2 Eligibility;

3 (n) Exclude the Cash Value of Life Insurance Policies in Calculating  
4 Resources for ADC;

5 (o) Establish the Supplemental Nutrition Assistance Program as a  
6 Continuous Benefit with Eligibility Reevaluated with Yearly  
7 Redeterminations;

8 (p) Establish a Budget the Gap Methodology Whereby Countable Earned  
9 Income is Subtracted from the Standard of the Need and Payment is Based  
10 on the Difference or Maximum Payment Level, Whichever is Less. That this  
11 Gap be Established at a Level that Encourages Work but at Least at a  
12 Level that Ensures that Those Currently Eligible for ADC do not Lose  
13 Eligibility Because of the Adoption of this Methodology;

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

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

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

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

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

27 (2) The Department of Health and Human Services shall (a) apply for  
28 a waiver to allow for a sliding-fee schedule for the population served by  
29 the caretaker relative program or (b) pursue other public or private  
30 mechanisms, to provide for transitional health care benefits to  
31 individuals and families who do not qualify for cash assistance. It is

1 the intent of the Legislature that transitional health care coverage be  
2 made available on a sliding-scale basis to individuals and families with  
3 incomes up to one hundred eighty-five percent of the federal poverty  
4 level if other health care coverage is not available.

5 Sec. 5. Section 68-1721, Revised Statutes Cumulative Supplement,  
6 2014, is amended to read:

7 68-1721 (1) Under the self-sufficiency contract developed under  
8 section 68-1719, the principal wage earner and other nonexempt members of  
9 the applicant family shall be required to participate in one or more of  
10 the following approved activities, including, but not limited to,  
11 education, job skills training, work experience, job search, or  
12 employment.

13 (2) Education shall consist of the general education development  
14 program, high school, Adult Basic Education, English as a Second  
15 Language, postsecondary education, or other education programs approved  
16 in the contract.

17 (3) Job skills training shall include vocational training in  
18 technical job skills and equivalent knowledge. Activities shall consist  
19 of formalized, technical job skills training, apprenticeships, on-the-job  
20 training, or training in the operation of a microbusiness enterprise. The  
21 types of training, apprenticeships, or training positions may include,  
22 but need not be limited to, the ability to provide services such as home  
23 repairs, automobile repairs, respite care, foster care, personal care,  
24 and child care. Job skills training shall be prioritized and approved for  
25 occupations that facilitate economic self-sufficiency.

26 (4) The purpose of work experience shall be to improve the  
27 employability of applicants by providing work experience and training to  
28 assist them to move promptly into regular public or private employment.  
29 Work experience shall mean unpaid work in a public, private, for-profit,  
30 or nonprofit business or organization. Work experience placements shall  
31 take into account the individual's prior training, skills, and



1 experience. A placement shall not exceed six months.

2 (5) Job search shall assist adult members of recipient families in  
3 finding their own jobs. The emphasis shall be placed on teaching the  
4 individual to take responsibility for his or her own job development and  
5 placement.

6 (6) Employment shall consist of work for pay. The employment may be  
7 full-time or part-time but shall be adequate to help the recipient family  
8 reach economic self-sufficiency.

9 (7) For purposes of creating the self-sufficiency contract and  
10 meeting the applicant's work activity requirement, an applicant shall be  
11 allowed to engage in vocational training that leads to an associate  
12 degree, a diploma, or a certificate for a minimum of twenty hours per  
13 week for up to thirty-six months. ~~This subsection terminates on December~~  
14 ~~31, 2016.~~

15 Sec. 6. Section 68-1726, Revised Statutes Supplement, 2015, is  
16 amended to read:

17 68-1726 Based on the comprehensive assets assessment, each  
18 individual and family receiving assistance under the Welfare Reform Act  
19 shall reach for his or her highest level of economic self-sufficiency or  
20 the family's highest level of economic self-sufficiency. The following  
21 eligibility factors shall apply:

22 (1) Financial resources, excluding the primary home and furnishings  
23 and the primary automobile, shall not exceed four thousand dollars in  
24 value for a single individual and six thousand dollars in value for two  
25 or more individuals;

26 (2) Available resources, including, but not limited to, savings  
27 accounts and real estate, shall be used in determining financial  
28 resources, except that income and assets described in sections ~~section~~  
29 68-1201 and 68-1713 shall not be included in determination of available  
30 resources under this section;

31 (3) Income received by family members, except income earned by

1 children attending school and except as provided in section 68-1201,  
2 shall be considered in determining total family income. Income earned by  
3 an individual or a family by working shall be treated differently than  
4 unearned income in determining the amount of cash assistance as follows:

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

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

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

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

16 (c) Financial assistance or those portions of it intended for books,  
17 tuition, or other self-sufficiency-related expenses shall not be counted  
18 in determining financial resources. Such assistance shall include, but  
19 not be limited to, school grants, scholarships, vocational rehabilitation  
20 payments, Job Training Partnership Act payments, income or assets  
21 described in section 68-1201, and education-related loans or other loans  
22 that are expected to be repaid; and

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

26 Sec. 7. Original sections 68-1708 and 68-1721, Revised Statutes  
27 Cumulative Supplement, 2014, and sections 43-512, 68-1201, 68-1713, and  
28 68-1726, Revised Statutes Supplement, 2015, are repealed.

29 Sec. 8. The following section is outright repealed: Section  
30 68-1735.04, Revised Statutes Cumulative Supplement, 2014.