

## LEGISLATIVE BILL 607

Approved by the Governor May 27, 2015

Introduced by Mello, 5; Bolz, 29; Campbell, 25; Crawford, 45; Davis, 43; Hilke, 4.

A BILL FOR AN ACT relating to public assistance; to amend sections 43-512, 68-1713, and 68-1726, Revised Statutes Cumulative Supplement, 2014; to change provisions relating to aid to dependent children; to change provisions related to an earned income disregard; to create the Intergenerational Poverty Task Force; to provide powers and duties; to require reports; to provide a termination date; to provide operative dates; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 43-512, Revised Statutes Cumulative Supplement, 2014, is amended to read:

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

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

(3) The department shall make a finding as to whether the application referred to in subsection (1) of this section should be allowed or denied. If the department finds that the application should be allowed, the department shall further find the amount of monthly assistance which should be paid with reference to such dependent child. Except as may be otherwise provided, payments shall be made by unit size and shall be consistent with subdivision (1)(p) of section 68-1713. Beginning on the operative date of this section, the maximum payment level for monthly assistance shall be fifty-five percent of the standard of need described in section 43-513 state warrant, and the amount of payments shall not exceed three hundred dollars per month when there is but one dependent child and one eligible caretaker in any home, plus an additional seventy-five dollars per month on behalf of each additional eligible person.

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

(4) The amount which shall be paid as assistance with respect to a dependent child shall be based in each case upon the conditions disclosed by the investigation made by the department. An appeal shall lie from the finding made in each case to the chief executive officer of the department or his or her designated representative. Such appeal may be taken by any taxpayer or by any relative of such child. Proceedings for and upon appeal shall be conducted in the same manner as provided for in section 68-1016.

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

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

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

during the five-month period, (A) the family's earnings exceed one hundred eighty-five percent of the federal poverty level, (B) the family members are no longer working, (C) the family ceases to be Nebraska residents, (D) there is no longer a minor child in the family's household, or (E) the family again becomes eligible for the aid to dependent children program, the family shall become ineligible for any remaining transitional benefits under this subdivision;

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

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

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

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

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

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

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

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

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

Sec. 2. Section 68-1713, Revised Statutes Cumulative Supplement, 2014, is amended to read:

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

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

(b) Permit Job Search;

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

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

(e) Alternative Hearing Process;

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

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

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

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

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

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

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

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

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

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

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

(q) Adopt an Earned Income Disregard described in section 68-1726 of ~~Twenty Percent of Gross Earnings~~ in the ADC Program, One Hundred Dollars in the Related Medical Assistance Program, and Income and Assets Described in section 68-1201;

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

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

(t) Make ADC a Time-Limited Program.

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

Sec. 3. Section 68-1726, Revised Statutes Cumulative Supplement, 2014, is amended to read:

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

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

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

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

(a) Earned income shall be counted in determining the level of cash assistance after disregarding an amount of earned income as follows: equal to twenty percent of earned income or other incentives to work;

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

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

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

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

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

Sec. 4. (1) The Intergenerational Poverty Task Force is created. The executive committee of the task force shall consist of the following voting members:

(a) The chairperson of the Health and Human Services Committee of the Legislature;

(b) The chairperson of the Appropriations Committee of the Legislature;  
and

(c) Three at-large members appointed by the Executive Board of the Legislative Council.

The voting members of the executive committee shall choose a chairperson and vice-chairperson from among the voting members.

The chief executive officer of the Department of Health and Human Services or his or her designee, the Commissioner of Labor, and the Commissioner of Education shall be nonvoting, ex officio members of the executive committee of the task force.

(2) The remaining members of the task force shall be nonvoting members appointed by the executive committee of the task force through an application and selection process, representing (a) advocacy groups that focus on childhood poverty issues and education issues, (b) academic experts in childhood poverty or education, (c) service providers, (d) educational institutions, (e) workforce development agencies, and (f) experts in early childhood education. The members appointed pursuant to this subsection shall constitute the advisory committee to the task force.

Sec. 5. The Intergenerational Poverty Task Force shall, with respect to programs, including, but not limited to, the aid to dependent children program described in section 43-513, the federal Supplemental Nutrition Assistance Program established pursuant to 7 U.S.C. 2011 et seq., as such sections existed on January 1, 2015, the child care assistance program described in section 68-1206, and the Employment First program developed pursuant to the self-sufficiency contract described in sections 68-1719 to 68-1724 and rules and regulations of the Department of Health and Human Services:

(1) Share, examine, and analyze data and information regarding intergenerational poverty in the state with a primary focus on data and information regarding children who are at risk of continuing the cycle of poverty unless outside intervention is made and develop effective and efficient plans, programs, and recommendations to help such children escape the cycle of poverty;

(2) Encourage participation and input from academic experts, advocacy groups, nonprofit corporations, local governments, and faith-based institutions in exploring strategies and solutions to help children who are victims of intergenerational poverty escape the cycle of poverty;

(3) Study, evaluate, and report on the status and effectiveness of policies, procedures, and programs implemented by other states and by nongovernmental entities that address the needs of and that provide services to

children affected by intergenerational poverty;

(4) Identify policies, procedures, and programs, including any lack of interagency data sharing, lack of policy coordination, or current federal requirements, that are impeding efforts to help children in the state affected by intergenerational poverty escape the cycle of poverty and recommend changes to those policies and procedures;

(5) Create a long-range strategic plan containing:

(a) Measurable goals and benchmarks, including future action needed to attain those goals and benchmarks, for decreasing the incidence of intergenerational poverty among the state's children and increasing the number of the state's children who escape the cycle of poverty; and

(b) Recommended data-supported changes to policies, procedures, and programs to address the needs of children affected by intergenerational poverty and to help those children escape the cycle of poverty, including the steps that will be required to make the recommended changes and whether further action is required by the Legislature or the federal government; and

(6) Protect the privacy of individuals living in poverty by using and distributing the data it collects or examines in compliance with federal requirements and with sections 84-712 to 84-712.09.

Sec. 6. To accomplish its duties, the Intergenerational Poverty Task Force may:

(1) Request and receive from any state or local governmental entity or institution information relating to poverty in the state, including reports, audits, data, projections, and statistics; and

(2) Appoint special committees to advise and assist the task force. Members of any such special committee shall be appointed by the chairperson of the task force and may be members of the task force or individuals from the private or public sector. A special committee shall report to the task force on the progress of the special committee. Members of a special committee appointed under this section may not receive reimbursement or pay for work done in relation to the special committee.

Sec. 7. (1) On or before December 15, 2015, the Intergenerational Poverty Task Force shall submit a preliminary report and on or before December 15, 2016, the task force shall submit a final report (a) to the Governor and (b) electronically to the Executive Board of the Legislative Council.

(2) The preliminary report and the final report shall:

(a) Include the long-range strategic plan required pursuant to section 5 of this act;

(b) Describe how the task force fulfilled its statutory purposes and duties during the time period covered by the report;

(c) Describe policies, procedures, and programs that have been implemented or modified to help break the cycle of poverty for children affected or at risk of being affected by intergenerational poverty; and

(d) Contain recommendations on how the state should act to address issues relating to breaking the cycle of poverty for children affected or at risk of being affected by intergenerational poverty.

Sec. 8. The Intergenerational Poverty Task Force terminates on December 31, 2016.

Sec. 9. Sections 1, 2, 3, and 10 of this act become operative three calendar months after the adjournment of this legislative session. The other sections of this act become operative on their effective date.

Sec. 10. Original sections 43-512, 68-1713, and 68-1726, Revised Statutes Cumulative Supplement, 2014, are repealed.

Sec. 11. Since an emergency exists, this act takes effect when passed and approved according to law.