

SECOND REGULAR SESSION

HOUSE BILL NO. 1311

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE QUADE.

4595H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 208.053, RSMo, and to enact in lieu thereof one new section relating to the hand-up program.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 208.053, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 208.053, to read as follows:

208.053. 1. The provisions of this section shall be known as the "Low-Wage Trap Elimination Act". In order to more effectively transition persons receiving state-funded child care subsidy benefits under this chapter, the children's division, in conjunction with the department of revenue, shall, subject to appropriations, by January 1, ~~[2013]~~ **2019**, implement a pilot program in ~~[at least one rural county and in at least one urban child care center that serves at least three hundred families]~~ **Jackson and Greene counties**, to be called the "Hand-Up Program", to allow ~~[willing]~~ recipients ~~[who wish to participate in the program]~~ to continue to receive such child care subsidy benefits while sharing in the cost of such benefits through the payment of a premium, as follows:

(1) For purposes of this section, "full child care benefits" shall be the full benefits awarded to a recipient based on the income eligibility amount established by the division through the annual appropriations process as of August 28, ~~[2012]~~ **2018**, to qualify for the benefits and shall not include the transitional child care benefits that are awarded to recipients whose income surpasses the eligibility level for full benefits to continue. The hand-up program ~~[shall be voluntary and]~~ shall be designed such that a ~~[participating]~~ recipient ~~[will]~~ **shall** not be faced with a sudden loss of child care benefits should the recipient's income rise above the maximum allowable monthly income for persons to receive full child care benefits as of August 28, ~~[2012]~~

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **2018.** In such instance, the recipient shall ~~[be permitted to]~~ continue to receive such benefits if
19 the recipient pays a premium~~[-, to be paid via a payroll deduction if possible,]~~ to be applied only
20 to that portion of the recipient's income above such maximum allowable monthly income for the
21 receipt of full child care benefits as follows:

22 (a) The premium shall be forty-four percent of the recipient's excess adjusted gross
23 income over the maximum allowable monthly income for the applicable family size for the
24 receipt of child care benefits;

25 (b) The premium shall be paid on a monthly basis by the ~~[participating]~~ recipient~~[-, or~~
26 ~~may be paid on a different periodic basis if through a payroll deduction consistent with the~~
27 ~~payroll period of the person's employer]~~ **directly to the recipient's child care provider;**

28 (c) The division shall ~~[develop a payroll deduction program in conjunction with the~~
29 ~~department of revenue, and shall]~~ promulgate rules for the payment of premiums~~[-, through such~~
30 ~~payroll deduction program or through an alternate method to be determined by the division,]~~
31 owed under the hand-up program; and

32 (d) ~~[Participating]~~ Recipients who fail to pay the premium owed shall ~~[be removed~~
33 ~~permanently from the program]~~ , after sixty days of nonpayment, **lose their child care subsidy**
34 **benefits; and**

35 (2) Subject to the receipt of federal waivers if necessary, ~~[participating]~~ recipients shall
36 be eligible to receive child care service benefits at income levels all the way up to the level at
37 which a person's premium equals the value of the child care service benefits received by the
38 recipient~~[-~~

39 ~~———(3) Only those recipients who currently receive full child care benefits as of joining the~~
40 ~~program and who had been receiving full child care service benefits for a period of at least four~~
41 ~~months prior to implementation by the division of this program shall be eligible to participate~~
42 ~~in the program. Only those recipients who agree to the terms of the hand-up program during a~~
43 ~~ninety-day sign-up period shall be allowed to participate in the program, pursuant to rules to be~~
44 ~~promulgated by the division; and~~

45 ~~———(4) A participating recipient shall be allowed to opt out of the program at any time, but~~
46 ~~such person shall not be allowed to participate in the program a second time].~~

47 2. The division shall track the number of ~~[participants]~~ **recipients** in the hand-up
48 program, premiums and taxes paid by each ~~[participant]~~ **recipient** in the program, and the
49 aggregate of such premiums and taxes, as well as the aggregate of those taxes paid on income
50 exceeding the maximum allowable income for receiving full child care benefits outside the
51 hand-up program, and shall issue an annual report to the general assembly by January 1, ~~[2014]~~
52 **2020**, and annually on January first thereafter, detailing the effectiveness of the pilot program
53 in encouraging recipients to increase their income levels above the income maximum applicable

54 to each recipient. The report shall also detail the costs of administration and the increased
55 amount of state income tax paid and premiums paid as a result of the program, as well as an
56 analysis of whether the pilot program could be expanded to include other types of benefits
57 including, but not limited to, food stamps, temporary assistance for needy families, low-income
58 heating assistance, women, infants and children supplemental nutrition program, the state
59 children's health insurance program, and MO HealthNet benefits.

60 3. The division shall pursue all necessary waivers from the federal government to
61 implement the hand-up program with the goal of allowing ~~[participating]~~ recipients to receive
62 child care service benefits at income levels all the way up to the level at which a person's
63 premium equals the value of the child care service benefits received by the recipient. If the
64 division is unable to obtain such waivers, the division shall implement the program to the degree
65 possible without such waivers.

66 4. ~~[(1) There is hereby created in the state treasury the "Hand-Up Program Premium~~
67 ~~Fund" which shall consist of premiums collected under this section. The state treasurer shall be~~
68 ~~custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may~~
69 ~~approve disbursements. The state treasurer shall invest moneys in the fund in the same manner~~
70 ~~as other funds are invested. Any interest and moneys earned on such investments shall be~~
71 ~~credited to the fund. Notwithstanding the provisions of section 33.080 to the contrary, any~~
72 ~~moneys remaining in the fund at the end of the biennium shall not revert to the credit of the~~
73 ~~general revenue fund.~~

74 ~~———(2) All premiums received under the program shall be deposited in the fund, out of which~~
75 ~~the cost of administering the hand-up program shall be paid, as well as the necessary payments~~
76 ~~to the federal government and to the state general revenue fund.] Child care benefits provided~~
77 ~~under the hand-up program shall continue to be paid for as under the existing state child care~~
78 ~~assistance program.~~

79 5. ~~[After the first year of the program, or sooner if feasible, the cost of administering the~~
80 ~~program shall be paid out of the premiums received. Any premiums collected exceeding the cost~~
81 ~~of administering the program shall, if required by federal law, be shared with the federal~~
82 ~~government and the state general revenue fund in the same proportion that the federal~~
83 ~~government shares in the cost of funding the child care assistance program with the state.~~

84 ~~———6.] Any rule or portion of a rule, as that term is defined in section 536.010, that is created~~
85 ~~under the authority delegated under this section shall become effective only if it complies with~~
86 ~~and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This~~
87 ~~section and chapter 536 are nonseverable and if any of the powers vested with the general~~
88 ~~assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and~~

89 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and
90 any rule proposed or adopted after August 28, ~~[2012]~~ **2018**, shall be invalid and void.

91 ~~[7.]~~ **6.** Pursuant to section 23.253 of the Missouri sunset act:

92 (1) The provisions of the new program authorized under this section shall sunset
93 automatically ~~[three]~~ **six** years after August 28, ~~[2014]~~ **2018**, unless reauthorized by an act of the
94 general assembly; ~~[and]~~

95 (2) If such program is reauthorized, the program authorized under this section shall
96 sunset automatically six years after the effective date of the reauthorization of this section; and

97 (3) This section shall terminate on September first of the calendar year immediately
98 following the calendar year in which the program authorized under this section is sunset.

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