

SECOND REGULAR SESSION

SENATE BILL NO. 727

96TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHAAF.

Read 1st time February 1, 2012, and ordered printed.

TERRY L. SPIELER, Secretary.

5619S.02I

AN ACT

To repeal section 208.044, RSMo, and to enact in lieu thereof two new sections relating to child care subsidies.

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

Section A. Section 208.044, RSMo, is repealed and two new sections
2 enacted in lieu thereof, to be known as sections 208.044 and 208.053, to read as
3 follows:

208.044. 1. The **children's** division [of family services] shall provide
2 child day care services to any person who meets the qualifications set forth at
3 sections 301 and 302 of the Family Support Act of 1988 (P.L. 100-485).

4 2. The division [of family services] shall purchase the child day care
5 services required by this section by making payments directly to any providers
6 of day care services licensed pursuant to chapter 210 or to providers of day care
7 services who are not required by chapter 210 to be licensed because they are
8 providing care to relative children or no more than four children.

9 3. When a person who has been eligible and receiving day care services
10 under this section becomes ineligible due to the end of the twelve-month period
11 of transitional day care, as defined in section 208.400, such person may receive
12 day care services from the division [of family services] if otherwise eligible for
13 such services. [Until October 1, 1992, participants eligible for income eligible day
14 care services, as defined by the division of family services, will continue to receive
15 such services in the same proportion as that provided in fiscal year 1989, subject
16 to appropriation.]

208.053. 1. **The provisions of this section shall be known as the**
2 **"Low-Wage Trap Elimination Act". In order to more effectively**

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

3 transition persons receiving state-funded child care subsidy benefits
4 under this chapter, the children's division, in conjunction with the
5 department of revenue, shall, by January 1, 2013, implement a pilot
6 program, to be called the "Hand-up Program", to allow willing
7 recipients who wish to participate in the program to continue to
8 receive such child care subsidy benefits while sharing in the cost of
9 such benefits through the payment of a premium, as follows:

10 (1) The hand-up program shall be voluntary and shall be
11 designed such that a participating recipient will not be faced with a
12 sudden loss of child care benefits should the recipient's income rise
13 above the maximum allowable monthly income for persons to receive
14 full child care benefits as of August 28, 2012. In such instance, the
15 recipient shall be permitted to continue to receive such benefits if the
16 recipient pays a premium, to be paid via a payroll deduction if possible,
17 to be applied only to that portion of the recipient's income above such
18 maximum allowable monthly income for the receipt of full child care
19 benefits as follows:

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

24 (b) The premium shall be paid on a monthly basis by the
25 participating recipient, or may be paid on a different periodic basis if
26 through a payroll deduction consistent with the payroll period of the
27 person's employer;

28 (c) The division shall develop a payroll deduction program in
29 conjunction with the department of revenue, and shall promulgate
30 rules for the payment of premiums owed under the hand-up program;
31 and

32 (d) Participating recipients who fail to pay the premium owed
33 shall be removed permanently from the program after sixty days of
34 non-payment;

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

40 **(3) Only those recipients who currently receive child care**
41 **benefits as of joining the program and who had been receiving child**
42 **care service benefits continuously since on or before August 28, 2012,**
43 **shall be eligible to participate in the program. Only those recipients**
44 **who agree to the terms of the hand-up program during a ninety-day**
45 **sign-up period shall be allowed to participate in the program, pursuant**
46 **to rules to be promulgated by the division; and**

47 **(4) A participating recipient shall be allowed to opt out of the**
48 **program at any time, but such person shall not be allowed to**
49 **participate in the program a second time.**

50 **2. The division shall track the number of participants in the**
51 **hand-up program, premiums and taxes paid by each participant in the**
52 **program and the aggregate of such premiums and taxes, as well as the**
53 **aggregate of those taxes paid on income exceeding the maximum**
54 **allowable income for receiving full child care benefits outside the hand-**
55 **up program, and shall issue an annual report to the general assembly**
56 **by January 1, 2014, and annually on January first thereafter, detailing**
57 **the effectiveness of the pilot program in encouraging recipients to**
58 **increase their income levels above the income maximum applicable to**
59 **each recipient. The report shall also detail the costs of administration**
60 **and the increased amount of state income tax paid and premiums paid**
61 **as a result of the program, as well as an analysis of whether the pilot**
62 **program could be expanded to include other types of benefits including**
63 **but not limited to food stamps, temporary assistance for needy families,**
64 **low income heating assistance, women, infants and children**
65 **supplemental nutrition program, the state children's health insurance**
66 **program, and MO HealthNet benefits.**

67 **3. The division shall pursue all necessary waivers from the**
68 **federal government to implement the hand-up program with the goal**
69 **of allowing participating recipients to receive child care service**
70 **benefits at income levels all the way up to the level at which a person's**
71 **premium equals the value of the child care service benefits received by**
72 **the recipient. The division shall implement the program to the degree**
73 **possible without obtaining the necessary waivers.**

74 **4. (1) There is hereby created in the state treasury the "Hand-Up**
75 **Program Premium Fund", which shall consist of premiums collected**
76 **under this section. The state treasurer shall be custodian of the fund.**

77 In accordance with sections 30.170 and 30.180, the state treasurer may
78 approve disbursements. The state treasurer shall invest moneys in the
79 fund in the same manner as other funds are invested. Any interest and
80 moneys earned on such investments shall be credited to the
81 fund. Notwithstanding the provisions of section 33.080, to the contrary,
82 any moneys remaining in the fund at the end of the biennium shall not
83 revert to the credit of the general revenue fund.

84 (2) All premiums received under the program shall be deposited
85 in the fund, out of which the cost of administering the hand-up
86 program shall be paid, as well as the necessary payments to the federal
87 government and to the state general revenue fund. Child care benefits
88 provided under the hand-up program shall continue to be paid for as
89 under the existing state child care assistance program.

90 5. After the first year of the program, or sooner if feasible, the
91 cost of administering the program shall be paid out of the premiums
92 received. Any premiums collected exceeding the cost of administering
93 the program shall be shared with the federal government and the state
94 general revenue fund in the same proportion that the federal
95 government shares in the cost of funding the child care assistance
96 program with the state.

97 6. Any rule or portion of a rule, as that term is defined in
98 section 536.010 that is created under the authority delegated in sections
99 208.962 to 208.970 shall become effective only if it complies with and is
100 subject to all of the provisions of chapter 536, and, if applicable, section
101 536.028. Sections 208.962 to 208.970 and chapter 536 are nonseverable
102 and if any of the powers vested with the general assembly pursuant to
103 chapter 536, to review, to delay the effective date, or to disapprove and
104 annul a rule are subsequently held unconstitutional, then the grant of
105 rulemaking authority and any rule proposed or adopted after August
106 28, 2012, shall be invalid and void.

107 7. Pursuant to section 23.253 of the Missouri sunset act:

108 (1) The provisions of the new program authorized under sections
109 208.962 to 208.970 shall sunset automatically three years after the
110 effective date of sections 208.962 to 208.970 unless reauthorized by an
111 act of the general assembly; and

112 (2) If such program is reauthorized, the program authorized
113 under sections 208.962 to 208.970 shall sunset automatically six years

114 after the effective date of the reauthorization of sections 208.962 to
115 208.970; and

116 (3) Sections 208.962 to 208.970 shall terminate on September first
117 of the calendar year immediately following the calendar year in which
118 the program authorized under sections 208.962 to 208.970 is sunset.

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Unofficial

Bill

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