

SECOND REGULAR SESSION

SENATE BILL NO. 965

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CURLS.

Read 1st time January 29, 2018, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6126S.01I

AN ACT

To repeal section 208.053, RSMo, and to enact in lieu thereof one new section relating to child care subsidies.

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Section A. Section 208.053, RSMo, is repealed and one new section
2 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
2 "Low-Wage Trap Elimination Act". In order to more effectively transition persons
3 receiving state-funded child care subsidy benefits under this chapter, the
4 children's division, in conjunction with the department of revenue, shall, subject
5 to appropriations, by January 1, [2013] **2019**, implement a pilot program in [at
6 least one rural county and in at least one urban child care center that serves at
7 least three hundred families] **any county with a charter form of**
8 **government and with more than six hundred thousand but fewer than**
9 **seven hundred thousand inhabitants or any county of the first**
10 **classification with more than two hundred sixty thousand but fewer**
11 **than three hundred thousand inhabitants**, to be called the "Hand-Up
12 Program", to allow [willing] recipients [who wish to participate in the program]
13 to continue to receive such child care subsidy benefits while sharing in the cost
14 of such benefits through the payment of a premium, as follows:

15 (1) For purposes of this section, "full child care benefits" shall be the full
16 benefits awarded to a recipient based on the income eligibility amount established
17 by the division through the annual appropriations process as of August 28, [2012]
18 **2018**, to qualify for the benefits and shall not include the transitional child care
19 benefits that are awarded to recipients whose income surpasses the eligibility

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

20 level for full benefits to continue. The hand-up program [shall be voluntary and]
21 shall be designed such that a [participating] recipient [will] **shall** not be faced
22 with a sudden loss of child care benefits should the recipient's income rise above
23 the maximum allowable monthly income for persons to receive full child care
24 benefits as of August 28, [2012] **2018**. In such instance, the recipient shall [be
25 permitted to] continue to receive such benefits if the recipient pays a premium[,
26 to be paid via a payroll deduction if possible,] to be applied only to that portion
27 of the recipient's income above such maximum allowable monthly income for the
28 receipt of full child care benefits as follows:

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

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

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

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

43 (2) Subject to the receipt of federal waivers if necessary, [participating]
44 recipients shall be eligible to receive child care service benefits at income levels
45 all the way up to the level at which a person's premium equals the value of the
46 child care service benefits received by the recipient[;

47 (3) Only those recipients who currently receive full child care benefits as
48 of joining the program and who had been receiving full child care service benefits
49 for a period of at least four months prior to implementation by the division of this
50 program shall be eligible to participate in the program. Only those recipients
51 who agree to the terms of the hand-up program during a ninety-day sign-up
52 period shall be allowed to participate in the program, pursuant to rules to be
53 promulgated by the division; and

54 (4) A participating recipient shall be allowed to opt out of the program at
55 any time, but such person shall not be allowed to participate in the program a

56 second time].

57 2. The division shall track the number of [participants] **recipients** in the
58 hand-up program, premiums and taxes paid by each [participant] **recipient** in
59 the program, and the aggregate of such premiums and taxes, as well as the
60 aggregate of those taxes paid on income exceeding the maximum allowable income
61 for receiving full child care benefits outside the hand-up program, and shall issue
62 an annual report to the general assembly by January 1, [2014] **2020**, and
63 annually on January first thereafter, detailing the effectiveness of the pilot
64 program in encouraging recipients to increase their income levels above the
65 income maximum applicable to each recipient. The report shall also detail the
66 costs of administration and the increased amount of state income tax paid and
67 premiums paid as a result of the program, as well as an analysis of whether the
68 pilot program could be expanded to include other types of benefits including, but
69 not limited to, food stamps, temporary assistance for needy families, low-income
70 heating assistance, women, infants and children supplemental nutrition program,
71 the state children's health insurance program, and MO HealthNet benefits.

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

79 4. [(1) There is hereby created in the state treasury the "Hand-Up
80 Program Premium Fund" which shall consist of premiums collected under this
81 section. The state treasurer shall be custodian of the fund. In accordance with
82 sections 30.170 and 30.180, the state treasurer may approve disbursements. The
83 state treasurer shall invest moneys in the fund in the same manner as other
84 funds are invested. Any interest and moneys earned on such investments shall
85 be credited to the fund. Notwithstanding the provisions of section 33.080 to the
86 contrary, any moneys remaining in the fund at the end of the biennium shall not
87 revert to the credit of the general revenue fund.

88 (2) All premiums received under the program shall be deposited in the
89 fund, out of which the cost of administering the hand-up program shall be paid,
90 as well as the necessary payments to the federal government and to the state
91 general revenue fund.] Child care benefits provided under the hand-up program

92 shall continue to be paid for as under the existing state child care assistance
93 program.

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

100 6.] Any rule or portion of a rule, as that term is defined in section 536.010,
101 that is created under the authority delegated under this section shall become
102 effective only if it complies with and is subject to all of the provisions of chapter
103 536 and, if applicable, section 536.028. This section and chapter 536 are
104 nonseverable and if any of the powers vested with the general assembly pursuant
105 to chapter 536 to review, to delay the effective date, or to disapprove and annul
106 a rule are subsequently held unconstitutional, then the grant of rulemaking
107 authority and any rule proposed or adopted after August 28, [2012] **2018**, shall
108 be invalid and void.

109 [7.] 6. Pursuant to section 23.253 of the Missouri sunset act:

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

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

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

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