

SECOND REGULAR SESSION

SENATE BILL NO. 584

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR ARTHUR.

Pre-filed December 1, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

3543S.02I

AN ACT

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

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Section A. Section 208.053, RSMo, is repealed and one new section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] **July 1, 2021**, implement a pilot program
6 in [at least one rural county and in at least one urban child care center that
7 serves at least three hundred families] **a county with a charter form of**
8 **government and with more than six hundred thousand but fewer than**
9 **seven hundred thousand inhabitants, a county of the first classification**
10 **with more than two hundred sixty thousand but fewer than three**
11 **hundred thousand inhabitants, and a county of the first classification**
12 **with more than two hundred thousand but fewer than two hundred**
13 **sixty thousand inhabitants**, to be called the "Hand-Up Program", to allow
14 [willing recipients who wish to participate] **applicants** in the program to
15 [continue to] receive [such] **transitional** child care [subsidy] benefits [while
16 sharing in the cost of such benefits through the payment of a premium, as
17 follows:] **without the requirement that such applicants first be eligible**
18 **for full child care benefits.**

19 (1) For purposes of this section, "full child care benefits" shall be the full

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

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] 2020, 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 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. In such instance, the recipient shall be permitted to continue to receive such benefits if the recipient pays a premium, to be paid via a payroll deduction if possible, to be applied only to that portion of the recipient's income above such maximum allowable monthly income for the receipt of full child care benefits as follows:

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

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

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

(d) Participating recipients who fail to pay the premium owed shall be removed permanently from the program after sixty days of nonpayment;

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

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

56 (4)] **an applicant may begin receiving the transitional child care**
57 **benefit without having first qualified for the full child care benefit or**
58 **any other tier of the transitional child care benefit. Under no**
59 **circumstances shall any applicant be eligible for the hand-up program**
60 **if the applicant's income does not fall within the transitional child care**
61 **benefit income limits established through the annual appropriations**
62 **process.**

63 (2) A participating recipient shall be allowed to opt out of the program at
64 any time, but such person shall not be allowed to participate in the program a
65 second time.

66 2. The division shall track the number of participants in the hand-up
67 program[, premiums and taxes paid by each participant in the program and the
68 aggregate of such premiums and taxes, as well as the aggregate of those taxes
69 paid on income exceeding the maximum allowable income for receiving full child
70 care benefits outside the hand-up program,] and shall issue an annual report to
71 the general assembly by [January 1, 2014] **September 1, 2022**, and annually on
72 **[January] September** first thereafter, detailing the effectiveness of the pilot
73 program in encouraging recipients to [increase their income levels above the
74 income maximum applicable to each recipient] **secure employment earning**
75 **an income greater than the maximum wage eligible for the full child**
76 **care benefit.** The report shall also detail the costs of administration and the
77 increased amount of state income tax paid [and premiums paid] as a result of the
78 program, as well as an analysis of whether the pilot program could be expanded
79 to include other types of benefits including but not limited to food stamps,
80 temporary assistance for needy families, low-income heating assistance, women,
81 infants and children supplemental nutrition program, the state children's health
82 insurance program, and MO HealthNet benefits.

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

90 4. [(1) There is hereby created in the state treasury the "Hand-Up
91 Program Premium Fund" which shall consist of premiums collected under this

92 section. The state treasurer shall be custodian of the fund. In accordance with
93 sections 30.170 and 30.180, the state treasurer may approve disbursements. The
94 state treasurer shall invest moneys in the fund in the same manner as other
95 funds are invested. Any interest and moneys earned on such investments shall
96 be credited to the fund. Notwithstanding the provisions of section 33.080 to the
97 contrary, any moneys remaining in the fund at the end of the biennium shall not
98 revert to the credit of the general revenue fund.

99 (2) All premiums received under the program shall be deposited in the
100 fund, out of which the cost of administering the hand-up program shall be paid,
101 as well as the necessary payments to the federal government and to the state
102 general revenue fund. Child care benefits provided under the hand-up program
103 shall continue to be paid for as under the existing state child care assistance
104 program.

105 5. After the first year of the program, or sooner if feasible, the cost of
106 administering the program shall be paid out of the premiums received. Any
107 premiums collected exceeding the cost of administering the program shall, if
108 required by federal law, be shared with the federal government and the state
109 general revenue fund in the same proportion that the federal government shares
110 in the cost of funding the child care assistance program with the state.

111 6.] Any rule or portion of a rule, as that term is defined in section
112 536.010, that is created under the authority delegated under this section shall
113 become effective only if it complies with and is subject to all of the provisions of
114 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
115 nonseverable and if any of the powers vested with the general assembly pursuant
116 to chapter 536 to review, to delay the effective date, or to disapprove and annul
117 a rule are subsequently held unconstitutional, then the grant of rulemaking
118 authority and any rule proposed or adopted after August 28, 2012, shall be
119 invalid and void.

120 [7.] 5. Pursuant to section 23.253 of the Missouri sunset act:

121 (1) The provisions of the new program authorized under this section shall
122 sunset automatically three years after August 28, [2014] **2020**, unless
123 reauthorized by an act of the general assembly; and

124 (2) If such program is reauthorized, the program authorized under this
125 section shall sunset automatically [six] **three** years after the effective date of the
126 reauthorization of this section; and

127 (3) This section shall terminate on September first of the calendar year

128 immediately following the calendar year in which the program authorized under
129 this section is sunset.

✓

Unofficial

Bill

Copy