

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

HOUSE BILL NO. 2364

By: Fallin

AS INTRODUCED

An Act relating to poor persons; creating the Oklahoma Full Employment Act; specifying purpose; providing for pilot programs; providing for eligibility; requiring amendment to certain acts; requiring exemptions; providing for administration of act; specifying powers and duties; specifying goals and targets; creating the Oklahoma Full Employment Program Review Commission; providing for appointment, terms, qualifications, and meetings; providing for powers and duties; creating Local Implementation Council; providing for appointment, terms, qualifications, and powers and duties; providing for administrative support; creating the Full Employment Program Special Fund; providing for administration, expenditures, and deposits; levying a Full Employment Program Tax on certain Oklahoma employers; providing for reduction in unemployment insurance tax rates; providing for eligibility; specifying conditions and restrictions; authorizing termination; providing certain counseling services; providing for application of program; requiring certain training and other requirements; requiring certain reports and evaluations; providing for

codification; providing an effective date; and  
declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 700 of Title 56, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Full Employment Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 701 of Title 56, unless there is created a duplication in numbering, reads as follows:

It is the purpose of the Oklahoma Full Employment Act to reduce the need for welfare and the dependence welfare induces, and to that end there is hereby created a demonstration program to be known as the Oklahoma Full Employment Program, hereinafter referred to as the "Program". The Program shall be a three-year test in five counties on the effects of replacing certain welfare and unemployment insurance benefits with guaranteed paid employment. During the test, normal Aid to Families with Dependent Children (AFDC), unemployment compensation, and Food Stamp benefits shall be suspended in five counties as determined by the Department of Human Services. Persons otherwise eligible for those benefits, and others in need of work, shall be eligible for the Program. The Program shall assign them to wage-paying public and private sector jobs designed to increase their self-sufficiency and improve their competitive position in the work force.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 702 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. The Department of Human Services shall amend the AFDC, Job Opportunities and Basic Skills (JOBS), and Food Stamp state plans to incorporate the Program as the Oklahoma JOBS program for the test counties, and shall obtain federal approval of plan amendments.

B. The Department of Human Services shall obtain any exemptions and waivers from federal statutes and regulations necessary to qualify the Program as a federally approved demonstration project under Section 1115 (42 U.S.C. 1315) of the Social Security Act and Section 17 (7 U.S.C. 2026) of the Food Stamp Act, and to ensure that wages paid by the Program to its AFDC and Food Stamp-eligible participants are deemed by the federal government an acceptable alternative form of AFDC and Food Stamp benefits for purposes of the demonstration.

C. If amendments to federal statutes are required for implementation of the Program, the Department shall seek such amendments.

D. The purpose of this section is to facilitate implementation of the Program at the earliest possible date and with maximum federal financial participation. To that end the Department is directed to expedite plan amendment, waiver acquisition, and statute amendment activities in close and constant coordination with appropriate federal officials, and to prepare and submit completely and in a timely manner all forms and data required by those officials.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 703 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. The Department shall administer the Program and shall promulgate rules for operation of the Program.

B. In administering the Program, the Department shall actively encourage both public and private employers to utilize Program participants, and shall ensure that, to the extent feasible, Program

job assignments match participant skills and experience with the needs of the employers.

C. The target goals for the Program are to reduce the AFDC, Food Stamp and unemployment compensation caseloads, in the pilot counties by fifty percent (50%) by the end of the third year of the pilot test, and to reduce the costs associated with these programs by twenty-five percent (25%) over the three-year pilot test period. To the maximum extent permitted by federal law, and notwithstanding other provisions of Oklahoma law, the Department shall, through competitive procurement, engage the services of qualified public and private organizations to operate the Program and to provide services incident to such operation, and shall incorporate in the resultant contracts, to the extent feasible, performance-based incentive payments related to accomplishment of Program goals.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 704 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. There shall be created, within sixty (60) calendar days of enactment of the Oklahoma Full Employment Act, the Oklahoma Full Employment Program Review Commission, hereinafter referred to as "Review Commission" to consist of nine (9) members: three members, including the chairman, appointed by the Speaker of the House of Representatives, three members including the vice-chairman appointed by the President Pro Tempore of the Senate, and three members appointed by the Governor. Terms of appointment shall be three (3) years. At least three members, one appointed by the President Pro Tempore of the Senate, one appointed by the Speaker of the House of Representatives, and one appointed by the Governor, shall be current or former recipients of AFDC, Food Stamps, or unemployment compensation.

B. The Review Commission shall monitor Program progress, assess Program effectiveness, and both receive and develop recommendations

for Program improvement. The Review Commission shall meet no less than once every three (3) months during the period of Program operations and shall report annually its findings and recommendations to the Legislature, the Governor, and the Director of the Department.

C. The Department shall provide administrative support to the Review Commission, and shall respond in writing to Review Commission recommendations within thirty (30) days of receipt.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 705 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. There shall be created, in each pilot county and within sixty (60) calendar days of enactment of the Oklahoma Full Employment Act, a Full Employment Program Local Implementation Council, hereinafter referred to as the "Local Implementation Council", to consist of seven (7) county residents, appointed by the county commissioners. Terms of appointment shall be three (3) years. At least two members shall be current or former recipients of AFDC, Food Stamps, or unemployment compensation.

B. The Local Implementation Council in each test county shall establish, consistent with the Oklahoma Full Employment Act and with rules promulgated by the Department to carry out the Oklahoma Full Employment Act, policies and procedures for operation of the Program within that county.

C. The Local Implementation Council in each test county may authorize, on a case by case basis, supplemental benefits from the Program to meet hardship conditions among Program participants as defined by the Local Implementation Council. Such hardship conditions shall include, but may not be limited to, reductions in usable income to larger families as a result of Program wages being less than previously received benefits from AFDC, unemployment compensation, and Food Stamps.

D. The Local Implementation Council in each test county shall monitor the operations of the Program for that county, and make recommendations to the Review Commission for improved Program efficiency and effectiveness.

E. The Department shall provide administrative support to each Local Implementation Council.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 706 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created a Full Employment Program Special Fund, hereinafter called the "Program Special Fund". The Program Special Fund shall be administered by the Department and shall be used exclusively to meet the necessary expenditures of the Program.

B. All funds appropriated for expenditure by or apportioned to Oklahoma for operation of the AFDC, JOBS, and Food Stamp programs in the pilot counties shall accrue to the Program Special Fund.

C. The Oklahoma Employment Security Commission shall levy a Full Employment Program Tax, hereinafter called the "Program Tax", on all Oklahoma employers required to pay the Oklahoma unemployment insurance tax, at a rate sufficient to produce revenues in an amount equal to the unemployment insurance revenues currently collected within the pilot counties. All Program Tax revenues shall accrue to the Program Special Fund.

D. Simultaneously with the levying of the Program Tax, the Oklahoma Employment Security Commission shall reduce Oklahoma unemployment insurance tax rates so as to reduce total unemployment insurance tax revenues by an amount equal to the amount of the revenues produced by the Program Tax.

E. All payments by participating employers to the Department for specially skilled Program participants as described in subsection B of Section 8 of this act shall accrue to the Program Special Fund.

F. In administering the Program Special Fund, the Department shall, consistent with other provisions of the Oklahoma Full Employment Act and to the extent permitted by federal law, maximize the use of federal apportionments for the Food Stamp, AFDC, and JOBS programs.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 707 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. Any resident of the pilot counties who is eighteen (18) years of age or older shall be eligible to participate in the Program. Pilot county residents between sixteen (16) and eighteen (18) years of age shall be eligible for summer work in the Program. There shall be no other eligibility requirements or limitations, and no one shall be required to participate.

B. 1. Eligible individuals choosing to participate shall be entitled to a maximum of forty (40) hours per week of employment in Program jobs, as available, and shall be paid by the Department from the Program Special Fund at the hourly rate of ninety percent (90%) of the Oklahoma minimum wage, or the federal minimum wage, whichever is higher, except that specially skilled participants may be paid a higher wage, but only if employers have need for such labor and specifically request it. For specially skilled participants, employees shall pay the Department an hourly rate equivalent to that received by skilled temporary employees for comparable work within the pilot county, as determined by the Department, and the Department shall pay a specially skilled participant seventy-five percent (75%) of the rate charged the employer for the utilization of such skilled labor. For any specific skilled labor assignment, the higher rate of pay shall apply only while the participant is performing the skilled labor requested by employer and only for a period of time not to exceed one hundred eighty (180) calendar days.

2. Any participant may, at any time, choose to terminate participation in a Program job assignment; and any participating employer may, at any time, choose to terminate the use of a participant. The Department shall endeavor to keep such terminations to a minimum and, when they occur, to provide new jobs expeditiously for the participants and new participants for the employers.

3. All program wages shall be subject to federal and state income and social security (FICA) taxes, which the Department shall withhold and pay in accordance with federal and state law. Workers' compensation taxes and the employers' share of social security taxes shall be paid from the Program Special Fund.

C. Assignment of participants to available jobs shall be made on the basis of a preference schedule developed by the Department with priority given to employing those receiving AFDC, Food Stamp, or unemployment compensation benefits. Those benefits shall be suspended when a Program job is offered to an unemployment compensation recipient, the custodial parent in an AFDC family, or any adult member of a Food Stamp household, and the suspension shall occur immediately whether or not the offer is accepted.

D. Custodial teenaged parents through nineteen (19) years of age receiving AFDC, Food Stamp, or unemployment compensation benefits may choose, when offered a Program job, to substitute up to 30 hours per week attendance at an accredited secondary school, with normal Program wages to be paid for such attendance so long as the participant is making acceptable progress toward a high school diploma or GED certificate.

E. Program participants who demonstrate substance abuse or other work-limiting problems may be assigned by the Department to rehabilitation facilities to receive appropriate counseling and/or training, with time spent in such activities compensated at the normal Program wage rate so long as the participant is making

acceptable progress toward employability but in no case for a period of time exceeding ninety (90) calendar days.

F. Food Stamp recipients in the pilot counties whose Food Stamp eligibility stems from eligibility for Supplemental Security Income (SSI) benefits shall not be offered employment by the Program, and thus shall not have their Food Stamp benefits suspended. However, during the three-year Program test, such Food Stamp benefits shall be distributed in the form of cash rather than coupons.

G. Program participants who are Medicaid-eligible at the time they enter the Program shall remain Medicaid-eligible so long as they continue to participate.

H. Participants needing child care shall be provided child care through the Program.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 708 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. Every employer subject to the Oklahoma unemployment tax shall be eligible for assignment of Program participants, but no employer shall be required to utilize such participants. All employers shall pay the Program Tax, whether or not they choose to utilize Program participants.

B. Employers shall provide on-the-job training to the degree necessary for the participants to perform their duties. Employers also shall recruit volunteer mentors from among their regular employees to assist the participants in becoming oriented to work and the workplace.

C. Employers shall ensure that jobs made available to Program participants are in conformity with Section 3304(a)(5) of the Federal Unemployment Tax Act, and other applicable federal employment regulations.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 709 of Title 56, unless there is created a duplication in numbering, reads as follows:

At least quarterly during the three-year pilot test period of the Program, the Department shall report the status and progress of the Program to the Review Commission, the Legislature, and the Governor.

B. Six (6) months prior to the end of the three-year pilot test period, the Department shall submit a written report to the Review Commission, the Legislature, and the Governor, containing a full and complete description and analysis of program operations and results. Such report shall include recommendations from the Department as to the potential for statewide implementation of the Program.

C. The formal evaluation of the Program shall be conducted by an independent evaluator reporting to the Review Commission. The evaluation may be based on group comparison, survey, and individualized event and attitude recording techniques. Performance in attaining Program goals in each pilot county may be matched against performance using the traditional welfare and employment counseling practices in a comparison county of similar size and with similar welfare and employment characteristics. In addition, the composite performance of the pilot counties may be compared to the remainder of the state. In no case shall experimental design or random assignment of individual potential or actual participants to "treatment" and "control" groups be used for evaluation of the Program.

SECTION 11. This act shall become effective July 1, 1994.

SECTION 12. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

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