

ENGROSSED HOUSE  
BILL NO. 1673

By: Toure, Boyd (Betty),  
Blackburn, Boyd (Laura),  
Cox, McCorkell, Pope  
(Tim), Roach, Ross and  
Seikel of the House

and

Cain of the Senate

( poor persons - implementation - waiver submission -  
codification - effective date - 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 230.1 of Title 56, unless there  
is created a duplication in numbering, reads as follows:

A. The Department of Human Services shall implement the  
provisions of this act to the full extent permitted by federal law.

B. The Department of Human Services shall submit any federal  
waiver requests as necessary to implement the provisions of this act  
no later than January 1, 1996. Any provision of this act requiring  
any such waivers shall not be implemented until such federal waivers  
are approved and a certification is made by the Department of Human  
Services to the Governor, the Speaker of the House of  
Representatives and the President Pro Tempore of the Senate that  
implementation of this act shall not result in the loss of any  
federal funds.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 230.2 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. Except as provided in subsection B of this section, if a person applying for aid is under eighteen (18) years of age, has never married and is pregnant or has a dependent child in such person's care, the person is not eligible for aid unless the person lives in a place maintained by the parent of such person, legal guardian or other adult relative as the parent's, guardian's or other adult relative's own home or lives in a foster home, maternity home or other supportive living arrangement supervised by an adult.

B. Subsection A of this section shall not apply in any of the following situations:

1. The person applying for aid has no parent or legal guardian or none whose whereabouts are known;

2. No parent or legal guardian of the person applying for aid allows the person to live in the home of that parent or legal guardian;

3. The Department determines that the physical or emotional health or safety of the person applying for aid or the dependent child would be jeopardized if the person and the dependent child lived with the person's parent or guardian; or

4. The person applying for aid lived apart from his or her parent or legal guardian for at least one (1) year before the birth of any dependent child or before the person applied for aid.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 230.3 of Title 56, unless there is created a duplication in numbering, reads as follows:

The Commission for Human Services shall revise the rules and standards governing the Aid to Families with Dependent Children program to permit the program to provide full benefits to a family whose income does not exceed the state eligibility standard in which

the parents are married and reside in the same household without regard to the thirty-day unemployment requirement, the one-hundred-hour rule or the work history requirement set forth in 45 C.F.R., Section 233.100.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 230.4 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. 1. The Department shall seek federal approval to operate a pilot project in five counties for the purpose of testing "fill-the-gap" budgeting and determining whether such an approach leads to improved rates of employment entry and employment retention by AFDC recipients.

2. In the affected counties, if a family's net nonexempt income is below the standard of need, the amount of assistance to be paid to the family shall be the difference between the standard of need and the family's net nonexempt income, multiplied by the percentage of the deficit to be paid.

3. For purposes of implementing "fill-the-gap" budgeting in the pilot counties, the "percentage of the deficit" is defined as the percentage of the state's standard of need reflected by the amount of assistance to be paid to a family with no income.

B. It is the intent of the Legislature that the Department of Human Services:

1. Should eliminate the time restriction for the Thirty Dollars (\$30.00) and one-third (1/3) of the remainder work disregard; and

2. Should couple its development of a revised disregard policy with an approach to "fill-the-gap" budgeting. In so doing, however, the Department of Human Services should avoid creating new inequities between AFDC families and nonwelfare ("working poor") families.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 230.5 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. The Department of Human Services shall revise applicable standards and rules which will allow recipients of assistance pursuant to the Medicaid and Aid to Families with Dependent Children programs who become employed to continue to receive transitional Medicaid and child care assistance for twenty-four (24) months following the initial date of employment unless:

1. The employer provides medical assistance or child care benefits; or

2. The monthly salary received from the employer exceeds the monthly allowance of assistance pursuant to the Aid to Families with Dependent Children program plus the cost of child care and medical insurance to which the recipient would be entitled.

B. The Department of Human Services shall revise applicable standards and rules which will allow recipients of assistance pursuant to the Aid to Families with Dependent Children program who become employed to receive case management and transitional support services pursuant to the Family Support Act, for a period of ninety (90) days. Such services will include, but are not limited to, transportation assistance, ensuring that the family received transitional Medicaid and child care, familiarity with the Earned Income Tax Credit, and any other problems which emerge in the initial months of employment.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 230.6 of Title 56, unless there is created a duplication in numbering, reads as follows:

The Department of Human Services to the fullest extent possible shall assure that any AFDC recipient and food stamp recipient who may qualify for receipt of the Earned Income Tax Credit (EITC), pursuant to 26 U.S.C., Section 32 (a-j), applies for the EITC. The

Department of Human Services should have the forms readily available and should provide assistance and encouragement to those wishing to apply for the EITC.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 230.7 of Title 56, unless there is created a duplication in numbering, reads as follows:

The Oklahoma Commission for Human Services shall establish and maintain a disability benefits project, hereinafter called the project, for the exclusive purpose of providing increased legal assistance for mentally or physically disabled persons to secure federal disability benefits provided through the Social Security Disability Insurance program under Title II of the Social Security Act, through the Supplemental Security Income program under Title XVI of the Social Security Act, and through such other programs subsequently established by Congress to accomplish similar purposes for persons with disabilities. The Department of Human Services may administer or contract with any organization for the purpose of administering the project. The Department may further appoint a disability advisory committee, consisting of members of the legal community including those with experience in advocacy for persons with disabilities and members of the disabled community, for the purpose of assisting the Department in matters pertaining to the project. The composition of the committee, the terms of its members, and the scope of its responsibilities shall be determined by the Department.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 230.8 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. The Department of Human Services shall establish and maintain a pilot demonstration program in accordance with the provisions of this section to evaluate the feasibility and effectiveness of alternative methods of assisting custodial parent

families in receipt of Aid to Families with Dependent Children benefits to become self-sufficient through the use of child assistance payments for children, instead of Aid to Families with Dependent Children benefits.

B. Where a demonstration program has been authorized, child assistance payments pursuant to the provisions of this section may be made to custodial parents on behalf of minor children in accordance with the criteria specified in this section. The pilot program should permit families with child support orders to use different income-counting rules than in the normal AFDC program: The family will receive a lower basic benefit, but then for each dollar of earnings below the poverty line, benefits will be reduced by ten cents (\$0.10); for each dollar over the poverty level, benefits will be reduced by sixty-seven cents (\$0.67); families will lose eligibility once they attain income at one hundred fifty percent (150%) of the federal poverty level.

C. No custodial parent who resides in a county where a demonstration program has been approved by the Department shall be eligible under this program for receipt of child assistance payments for a child, unless:

1. An order of child support for such a child has been made by a district court pursuant to a child support formula established by the Department;

2. The order of child support is payable through the Department or such other administrative mechanism as may be designated by the Commissioner;

3. The parent, subject to a support order, required to pay child support is absent from the home;

4. The custodial parent and the child for whom, or on whose behalf, an application for supplemental child support payments is made is, at such time, a recipient of Aid to Families with Dependent Children benefits; and

5. The custodial parent has not withdrawn from this program within the three (3) months prior to the date of reapplication for benefits under this program.

D. The Department shall provide to all recipients eligible for participation in this program a comparison of the benefits that would be available to the household under both the Aid to Families with Dependent Children program and the child assistance payments program as provided in this section. The Department shall inform all eligible recipients that participation in this program is voluntary.

E. Participation in this program shall be voluntary. Should a participant elect to terminate participation in this program, then, upon reapplication for Aid to Families with Dependent Children benefits and a subsequent determination of eligibility, such participant shall be restored to benefits effective from the date of reapplication.

F. The Department shall establish such demonstration program unless such federal approvals as are legally required for federal financial participation in such program at the same level or higher as would have been secured under Title IV-A of the federal Social Security Act and related statutes have been obtained.

G. The Department shall develop a research design and methodology for this program. Prior to January 1, 1996, such research design and methodology shall be submitted to the President Pro Tempore of the Senate and the Speaker of the House of Representatives. The research design and methodology shall provide for county participation with varying demographic and economic conditions, and specify the amount of the child assistance payment and the benefit reduction procedures to be employed in each demonstration.

H. The Department shall provide interim reports to the Governor and the Legislature annually, so long as the demonstration program

remains in effect. Such reporting requirement shall commence in the year following the year in which full implementation of this program has occurred. Such interim reports shall include, as appropriate, information on steps being taken to implement the provisions of this section, and preliminary findings concerning the feasibility and effectiveness of the alternative procedures sought to be demonstrated hereunder.

I. Within three (3) years of full implementation of this demonstration program, and no later than six (6) months prior to the expiration of this act, the Department shall report to the Governor and the Legislature on the implementation of this section. Such report shall include an evaluation of the programs conducted under this section, including, but not limited to, an assessment of the following:

1. The participation by custodial parents in the program including the number and characteristics of participants;

2. The impact on participation in the Aid to Families with Dependent Children program, taking into consideration variations in the standard of need in social services districts;

3. The impact on the pursuit, enforcement and collection of child support by custodial parents and social services districts;

4. The impact on the work-related behavior of participating custodial parents;

5. The effect of the absence of the noncustodial parent from this state; and

6. The effect of different administrative arrangements on the effect of the absence on the noncustodial parent.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 230.9 of Title 56, unless there is created a duplication in numbering, reads as follows:

The income of a dependent child's stepparent living in the same household as such child shall not be considered in determining the

amount of assistance to be paid to a recipient family pursuant to the Aid to Families with Dependent Children program unless the available income of the stepparent exceeds one hundred percent (100%) of the federal poverty level. For determining available income, the Department shall be guided by:

1. The standard of need for a family of the same composition as the stepparent and those other individuals living in the same household as the child who are not applying for or receiving benefits and are claimed by such stepparent as dependents for purposes of determining such stepparent's federal income tax liability;

2. Any amounts paid by the stepparent to individuals not living in such household and claimed by such stepparent as dependents for purposes of determining such stepparent's federal personal income tax liability; and

3. Any payments of alimony or child support made by such stepparent with respect to individuals not living in such household.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 230.10 of Title 56, unless there is created a duplication in numbering, reads as follows:

By January 1, 1996, and annually thereafter, the Department of Human Services shall review and evaluate the adequacy of the standard of need for all categories of assistance in this state. Such review and evaluation shall be submitted by July 1, 1996, to the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the Governor.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 512 of Title 56, unless there is created a duplication in numbering, reads as follows:

The Department of Human Services should increase the amount spent to provide, pay for, or reimburse one-time work-related expenses for JOBS participants and other AFDC recipients who enter

employment. Such assistance shall include, but shall not be limited to, costs of auto repair or registration, uniforms, clothing, and transportation costs. The Department should also assure that Medicaid benefits to cover prescription eyeglasses and dental services are made available to those qualifying for the one-time work-related expenses.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 513 of Title 56, unless there is created a duplication in numbering, reads as follows:

A. When a court of competent jurisdiction is ordering or has ordered child support payments to be made by the noncustodial parent and the noncustodial parent claims inability to pay because of unemployment, the court shall require the noncustodial parent to register with the Oklahoma Employment Security Commission for employment. The noncustodial parent shall be responsible for providing documentation of registration to the court. The noncustodial parent shall be responsible for making a good faith effort to obtain any employment for which the Oklahoma Employment Security Commission makes referral. The noncustodial parent shall be responsible for providing documentation of employment application. The registration for employment with the Oklahoma Employment Security Commission shall in no way limit the noncustodial parent's attempts to obtain employment through personal initiative.

B. In the event that the noncustodial parent claims health reasons, mental or physical, for not seeking employment, the noncustodial parent shall show to the court proof of an active treatment plan which includes an estimate of the duration of the health problems. Treatment plans may include but are not limited to care of a physician, mental health professional or substance abuse professional. Upon

completion of the treatment plan, the terms outlined in subsection A of this section shall be in force.

C. When a noncustodial parent claims disability as the reason for unemployment, the noncustodial parent shall provide to the court documentation that such parent has applied for disability determination with the Social Security Administration and shall provide to the court documentation that such parent has applied to the Department of Rehabilitation Services for assistance in becoming employable. If the noncustodial parent is determined to be employable by the Department of Rehabilitation, the noncustodial parent shall provide documentation that such parent has made every effort to cooperate in obtaining employment.

D. When a custodial parent receives Aid to Families with Dependent Children for the child of a noncustodial parent who is not paying child support for the reason of unemployment, the noncustodial parent shall be required to participate in employment efforts at least equal to those required for the custodial parent under federal law related to Aid to Families with Dependent Children. A noncustodial parent's failure to comply with these requirements may result in a contempt of court citation.

E. The Department of Human Services shall create a document of notification which details the requirements based on federal Aid to Families with Dependent Children regulations. Staff of the Department of Human Services shall provide a copy of the notification and a listing of employment services, available to all citizens at no costs, with access information including but not limited to the services of the Oklahoma Employment Security

Commission and Jobs Training Partnership Act Programs. It is the responsibility of the unemployed, noncustodial parent to access the service and to obtain documentation of participation if so ordered by the court.

SECTION 13. This act shall become effective July 1, 1995.

SECTION 14. 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.

Passed the House of Representatives the 9th day of March, 1995.

Speaker of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 1995.

President of the Senate