

AN ACT relating to welfare to work.

***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

➔Section 1. KRS 205.200 is amended to read as follows:

- (1) A needy aged person, a needy blind person, a needy child, a needy permanently and totally disabled person, or a person with whom a needy child lives shall be eligible to receive a public assistance grant only if he has made a proper application or an application has been made on his behalf in the manner and form prescribed by administrative regulation. No individual shall be eligible to receive public assistance under more than one (1) category of public assistance for the same period of time.
- (2) The secretary shall, by administrative regulations, prescribe the conditions of eligibility for public assistance in conformity with the public assistance titles of the Social Security Act, its amendments, and other federal acts and regulations. The secretary shall also promulgate administrative regulations to allow for between a forty percent (40%) and a forty-five percent (45%) ratable reduction in the method of calculating eligibility and benefits for public assistance under Title IV-A of the Federal Social Security Act. In no instance shall grants to families with no income be less than the appropriate grant maximum used for public assistance under Title IV-A of the Federal Social Security Act. As used in this section, "ratable reduction" means the percentage reduction applied to the deficit between the family's countable income and the standard of need for the appropriate family size.
- (3) The secretary may by administrative regulation prescribe as a condition of eligibility that a needy child regularly attend school, and may further by administrative regulation prescribe the degree of relationship of the person or persons in whose home such needy child must reside.
- (4) The secretary may by administrative regulation prescribe conditions for bringing paternity proceedings or actions for support in cases of out of wedlock birth or

nonsupport by a parent in the public assistance under Title IV-A of the Federal Social Security Act program.

- (5) Public assistance shall not be payable to or in behalf of any individual who has taken any legal action in his own behalf or in the behalf of others with the intent and purpose of creating eligibility for the assistance.
- (6) The cabinet shall promptly notify the appropriate law enforcement officials of the furnishing of public assistance under Title IV-A of the Federal Social Security Act in respect to a child who has been deserted or abandoned by a parent.
- (7) No person shall be eligible for public assistance payments if, after having been determined to be potentially responsible, and afforded notice and opportunity for hearing, he refuses without good cause:
  - (a) To register for employment with the state employment service,
  - (b) To accept suitable training, or
  - (c) To accept suitable employment.

The secretary may prescribe by administrative regulation, subject to the provisions of KRS Chapter 13A, standards of suitability for training and employment.

- (8) To the extent permitted by federal law, scholarships, grants, or other types of financial assistance for education shall not be considered as income for the purpose of determining eligibility for public assistance.
- (9) To the extent permitted by federal law, any money received because of a settlement or judgment in a lawsuit brought against a manufacturer or distributor of "Agent Orange" for damages resulting from exposure to "Agent Orange" by a member or veteran of the Armed Forces of the United States or any dependent of such person who served in Vietnam shall not be considered as income for the purpose of determining eligibility or continuing eligibility for public assistance and shall not be subject to a lien or be available for repayment to the Commonwealth for public assistance received by the recipient.

(10) (a) Within ninety (90) days of the effective date of this Act, the secretary shall promulgate administrative regulations in accordance with KRS Chapter 13A to permit recipients of public assistance under this chapter to transition into employment and retain benefits under this chapter temporarily as described in this subsection. Any administrative regulations promulgated under this subsection shall include protections against fraud, including but not limited to a policy that an individual may not qualify for the program established in this subsection without having received benefits under this chapter for the preceding twelve (12) months.

(b) Eligible recipients may apply for admission to a twelve (12) month graduated earnings disregard program which shall permit an approved recipient whose new earnings would otherwise invalidate him or her from participation in a public assistance program under this chapter to continue receiving benefits under this chapter as he or she transitions to full employment.

(c) The twelve (12) month graduated earnings disregard program for new employment, or increased wages, acquired after approval and reported timely, shall be calculated as follows:

1. One hundred percent (100%) of the amount of the first two (2) full calendar months earnings per employed adult member of the benefit group;
2. Seventy-five percent (75%) of the amount of the subsequent four (4) full calendar months earnings per employed adult member of the benefit group;
3. Fifty percent (50%) of the amount of the subsequent four (4) full calendar months earnings per employed adult member of the benefit group; and

4. Twenty-five percent (25%) of the amount of the subsequent two (2) full calendar months earnings per employed adult member of the benefit group.

The twelve (12) month graduated earnings disregard program shall be consecutive and at the option of the recipient.