

FIRST REGULAR SESSION

# SENATE BILL NO. 206

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR ARTHUR.

0395S.01I

ADRIANE D. CROUSE, Secretary

## 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Section A. Section 208.053, RSMo, is repealed and one new  
2 section enacted in lieu thereof, to be known as section 208.053,  
3 to read as follows:

208.053. 1. The provisions of this section shall be  
2 known as the "Low-Wage Trap Elimination Act". In order to  
3 more effectively transition persons receiving state-funded  
4 child care subsidy benefits under this chapter, the  
5 children's division, in conjunction with the department of  
6 revenue, shall, subject to appropriations, by [January 1,  
7 2013] **July 1, 2022**, implement a pilot program in [at least  
8 one rural county and in at least one urban child care center  
9 that serves at least three hundred families] **a county with a**  
10 **charter form of government and with more than six hundred**  
11 **thousand but fewer than seven hundred thousand inhabitants,**  
12 **a county of the first classification with more than two**  
13 **hundred sixty thousand but fewer than three hundred thousand**  
14 **inhabitants, and a county of the first classification with**  
15 **more than two hundred thousand but fewer than two hundred**  
16 **sixty thousand inhabitants,** to be called the "Hand-Up  
17 Program", to allow [willing recipients who wish to  
18 participate] **applicants** in the program to [continue to]

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

19 receive [such] **transitional** child care [subsidy] benefits  
20 [while sharing in the cost of such benefits through the  
21 payment of a premium, as follows:] **without the requirement**  
22 **that such applicants first be eligible for full child care**  
23 **benefits.**

24 (1) For purposes of this section, "full child care  
25 benefits" shall be the full benefits awarded to a recipient  
26 based on the income eligibility amount established by the  
27 division through the annual appropriations process as of  
28 August 28, [2012] **2021**, to qualify for the benefits and  
29 shall not include the transitional child care benefits that  
30 are awarded to recipients whose income surpasses the  
31 eligibility level for full benefits to continue. The hand-  
32 up program shall be voluntary and shall be designed such  
33 that [a participating recipient will not be faced with a  
34 sudden loss of child care benefits should the recipient's  
35 income rise above the maximum allowable monthly income for  
36 persons to receive full child care benefits as of August 28,  
37 2012. In such instance, the recipient shall be permitted to  
38 continue to receive such benefits if the recipient pays a  
39 premium, to be paid via a payroll deduction if possible, to  
40 be applied only to that portion of the recipient's income  
41 above such maximum allowable monthly income for the receipt  
42 of full child care benefits as follows:

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

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

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

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

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

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

75 (4) **] an applicant may begin receiving the transitional**  
76 **child care benefit without having first qualified for the**  
77 **full child care benefit or any other tier of the**  
78 **transitional child care benefit. Under no circumstances**  
79 **shall any applicant be eligible for the hand-up program if**  
80 **the applicant's income does not fall within the transitional**  
81 **child care benefit income limits established through the**  
82 **annual appropriations process.**

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

86           2. The division shall track the number of participants  
87 in the hand-up program[, premiums and taxes paid by each  
88 participant in the program and the aggregate of such  
89 premiums and taxes, as well as the aggregate of those taxes  
90 paid on income exceeding the maximum allowable income for  
91 receiving full child care benefits outside the hand-up  
92 program,] and shall issue an annual report to the general  
93 assembly by [January 1, 2014] **September 1, 2023**, and  
94 annually on [January] **September** first thereafter, detailing  
95 the effectiveness of the pilot program in encouraging  
96 recipients to [increase their income levels above the income  
97 maximum applicable to each recipient] **secure employment**  
98 **earning an income greater than the maximum wage eligible for**  
99 **the full child care benefit.** The report shall also detail  
100 the costs of administration and the increased amount of  
101 state income tax paid [and premiums paid] as a result of the  
102 program, as well as an analysis of whether the pilot program  
103 could be expanded to include other types of benefits  
104 including but not limited to food stamps, temporary  
105 assistance for needy families, low-income heating  
106 assistance, women, infants and children supplemental  
107 nutrition program, the state children's health insurance  
108 program, and MO HealthNet benefits.

109           3. The division shall pursue all necessary waivers  
110 from the federal government to implement the hand-up program  
111 [with the goal of allowing participating recipients to  
112 receive child care service benefits at income levels all the  
113 way up to the level at which a person's premium equals the  
114 value of the child care service benefits received by the

115 recipient]. If the division is unable to obtain such  
116 waivers, the division shall implement the program to the  
117 degree possible without such waivers.

118 4. [(1) There is hereby created in the state treasury  
119 the "Hand-Up Program Premium Fund" which shall consist of  
120 premiums collected under this section. The state treasurer  
121 shall be custodian of the fund. In accordance with sections  
122 30.170 and 30.180, the state treasurer may approve  
123 disbursements. The state treasurer shall invest moneys in  
124 the fund in the same manner as other funds are invested.  
125 Any interest and moneys earned on such investments shall be  
126 credited to the fund. Notwithstanding the provisions of  
127 section 33.080 to the contrary, any moneys remaining in the  
128 fund at the end of the biennium shall not revert to the  
129 credit of the general revenue fund.

130 (2) All premiums received under the program shall be  
131 deposited in the fund, out of which the cost of  
132 administering the hand-up program shall be paid, as well as  
133 the necessary payments to the federal government and to the  
134 state general revenue fund. Child care benefits provided  
135 under the hand-up program shall continue to be paid for as  
136 under the existing state child care assistance program.

137 5. After the first year of the program, or sooner if  
138 feasible, the cost of administering the program shall be  
139 paid out of the premiums received. Any premiums collected  
140 exceeding the cost of administering the program shall, if  
141 required by federal law, be shared with the federal  
142 government and the state general revenue fund in the same  
143 proportion that the federal government shares in the cost of  
144 funding the child care assistance program with the state.

145 6.] Any rule or portion of a rule, as that term is  
146 defined in section 536.010, that is created under the

147 authority delegated under this section shall become  
148 effective only if it complies with and is subject to all of  
149 the provisions of chapter 536 and, if applicable, section  
150 536.028. This section and chapter 536 are nonseverable and  
151 if any of the powers vested with the general assembly  
152 pursuant to chapter 536 to review, to delay the effective  
153 date, or to disapprove and annul a rule are subsequently  
154 held unconstitutional, then the grant of rulemaking  
155 authority and any rule proposed or adopted after August 28,  
156 2012, shall be invalid and void.

157 [7.] 5. Pursuant to section 23.253 of the Missouri  
158 sunset act:

159 (1) The provisions of the new program authorized under  
160 this section shall sunset automatically three years after  
161 August 28, [2014] **2021**, unless reauthorized by an act of the  
162 general assembly; and

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

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

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