

Enrolled House Bill 2469

Sponsored by Representative KOTEK; Representative DINGFELDER, Senators MORRISETTE, WESTLUND

CHAPTER

AN ACT

Relating to public assistance for families with dependent children; creating new provisions; amending ORS 25.020, 25.245, 411.070, 411.105, 411.892, 414.025, 414.042, 414.428, 418.035, 418.040, 418.042, 418.045, 418.070, 418.075, 418.085, 418.131, 418.132, 418.134, 418.149, 418.155, 418.160 and 418.163; repealing ORS 418.095 and 418.185 and section 4, chapter 212, Oregon Laws 2003; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 418.035 is amended to read:

418.035. As used in ORS 418.035 to 418.172, unless the context or a specially applicable statutory definition requires otherwise:

(1) "Aid" means money payments with respect to, or on behalf of, a dependent child or children and includes:

(a) Money payments to meet the needs of the relative with whom the child is living and[.]

[(A)] the spouse of the relative if the spouse lives with the relative, the relative is the child's parent and the child is a dependent child by reason of the physical or mental incapacity, **or the unemployment or underemployment**, of a parent; or

[(B) *The spouse of the relative if the spouse lives with the relative, the relative is the child's parent and the child is a dependent child as defined in ORS 418.070 (2)(a) and is dependent by reason of the unemployment of parents.*]

(b) Payments made to a representative payee or guardian pursuant to ORS 418.050 or 418.054.

(2) "Caretaker relative" means a dependent child's father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew or niece who lives in a residence maintained by one or more of the relatives as the child's or the relative's own home.

[(2)(a)] **(3)(a)** "Dependent child" means a needy child:

(A) Who has been deprived of parental support or care by reason of the death, continued absence from the home or physical or mental incapacity, **or unemployment or underemployment**, of a parent;

(B) Whose caretaker relatives are not able to provide adequate care and support for the child without public

[(B) *Whose relatives are not able to provide adequate care and support for the child without public*] assistance, as defined in ORS 411.010;

[(C) Who is living with the child's father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew or niece in a place of residence maintained by one or more of such relatives as the child's or their own home; and]

(C) Who lives with a caretaker relative; and

(D) Who meets the requirements of paragraph (b) of this subsection.

(b)(A) Except as provided in subparagraphs (B) and (C) of this paragraph, a "dependent child" must be under the age of 18 years.

(B) A child may qualify as a "dependent child," subject to the availability of funds, if the child is 18 or 19 or 20 years of age and a student regularly attending a school in grade 12 or below or regularly attending a course of professional or technical training designed to fit the child for gainful employment, other than a course provided by or through a college or university.

(C) Students under the age of 21 years and regularly attending a school, college or university or regularly attending a course of professional or technical training designed to fit the child for gainful employment may be included in the description in subparagraph (B) of this paragraph at the option of the Department of Human Services.

(4) "Federally required participation rates" means the participation rates as required by section 407 of the Social Security Act.

[(3)] **(5)** "Representative payee" means an individual designated by the department to receive money payments of aid pursuant to ORS 418.050.

SECTION 2. ORS 418.040 is amended to read:

418.040. (1) Aid pursuant to the temporary assistance for needy families program shall be granted under *[ORS 418.035 to 418.125]* **this section** to any dependent child who is living in a home meeting the standards of care and health fixed by the rules *[and regulations]* of the Department of Human Services and who is a resident of the State of Oregon, if *[the]* a parent or *[other]* **caretaker** relative with whom the child is living is a resident of the State of Oregon.

[(2) No parent of a child receiving aid under ORS 418.035 to 418.125 shall be exempt from a requirement to participate in programs to develop employment or self-sufficiency skills due to the age of the child except:]

[(a) During the first two months of the third trimester of pregnancy, the parent shall not be required to participate more than 10 hours per week and shall be exempt from participation during the last month of pregnancy; and]

[(b) During the first 90 days after the birth of a child.]

[(3) No individual in a household receiving aid under ORS 418.035 to 418.125 shall be exempt, due to the pregnancy of the individual, from a requirement to obtain a high school diploma or its equivalent or to participate in programs to develop employment or self-sufficiency skills.]

[(4) No parent shall be eligible to receive aid under ORS 418.035 to 418.125 if the parent fails to participate in programs to develop employment or self-sufficiency skills during the period of eligibility determination.]

[(5) The provisions of subsection (3) of this section shall not apply to an individual experiencing medical complications due to pregnancy, as determined by a person licensed by the Board of Medical Examiners or the Oregon State Board of Nursing, that prohibit participation in the activities otherwise required.]

[(6) Notwithstanding section 16, chapter 739, Oregon Laws 1993, and subsection (5) of this section, no individual in a household receiving aid under ORS 418.035 to 418.125 shall be exempt from any requirement to participate in programs to develop employment or self-sufficiency skills, as defined by the department, unless the individual and the individual's department case manager agree in writing that the exemption is appropriate under guidelines developed by the department.]

(2) Except as provided in subsections (7) and (8) of this section, a needy caretaker relative may be required to participate in the job opportunity and basic skills program that is described in subsections (3) to (6) of this section.

(3) The department shall use a basic assessment tool to determine if a needy caretaker relative applying for or receiving aid under this section has or may have a barrier to em-

ployment or to family stability. If the basic assessment tool indicates that there is or may be a barrier, the needy caretaker relative shall be referred for an in-depth assessment by a person with relevant expertise or specialized training.

(4) Based upon the assessment described in subsection (3) of this section, the department, in cooperation with appropriate partner agencies or professionals, shall work with the participant to create an effective individualized case plan that establishes goals and identifies suitable activities that promote family stability and financial independence.

(5) Suitable activities may include:

(a) Job readiness activities or employment;

(b) Vocational rehabilitation or training;

(c) Remedial, secondary or post-secondary education;

(d) Community service; or

(e) Other activities that reduce or eliminate barriers to full participation in the program or to employment.

(6) For individuals with disabilities, the goal of the individualized case plan must be to promote greater independence and may include physical or mental health evaluation or treatment.

(7) A needy caretaker relative receiving aid under ORS 418.035 to 418.125 may volunteer for but may not be required to participate in the job opportunity and basic skills program:

(a) More than 10 hours per week during the first two months of the third trimester of the parent's pregnancy;

(b) During the last month of the parent's pregnancy;

(c) If the needy caretaker relative is experiencing medical complications due to pregnancy that prohibit participation in activities in the program;

(d) For one parent per family, during the first six months after the birth of a child, up to a total of 12 months per family except that:

(A) The department may require a parent to participate in suitable activities, with a preference for educational activities, 16 weeks after the birth of a child if the parent is under 20 years of age; and

(B) The department may require a parent of a child under 12 months of age to participate in evidence-based parenting classes or family stability activities; or

(e) If participation is likely to cause undue hardship or is contrary to the best interests of the child or needy caretaker relative.

[7] (8) The department *[by rule shall define programs to develop employment or self-sufficiency skills for purposes of this section]* shall adopt rules to carry out the provisions of this section.

SECTION 3. ORS 418.045 is amended to read:

418.045. (1) The need for and amount of aid pursuant to the temporary assistance for needy families to be granted for any dependent child or relative pursuant to ORS *[418.035 to 418.172]* **418.040** shall be determined, in accordance with the rules *[and regulations]* of the Department of Human Services, taking into account:

(a) The income, resources and maintenance available to such child and relative from whatever source derived, allowable deductions and the statewide income and payment standards.

(b) The income and financial condition of the stepparent, if any, of the child for whom aid is sought.

(2) Subsection (1)(b) of this section is not intended to relieve any *[father]* **parent** of any legal obligation in respect of the support of the natural or adopted children of the *[father]* **parent**.

[(3) In the determination of eligibility and the amount of need, and in any reconsideration thereof, with respect to an applicant or recipient of aid pursuant to ORS 418.035 to 418.172, such amounts of income and resources may be disregarded as the department may prescribe by rules and regulations promulgated by it. The amounts to be disregarded shall be within the limits required or permitted by federal laws and by federal rules and orders thereto applicable.]

[(4)(a) Notwithstanding section 16 (5)(d), chapter 739, Oregon Laws 1993, an individual who fails to cooperate in such education, employment or job training programs as may be required by law shall have aid payments reduced by the amount of \$50 for a period of two months.]

[(b) Continued failure of an adult aid recipient to cooperate in mandatory education, employment or job training programs for more than two months as described in paragraph (a) of this subsection shall result in the removal of the noncooperating adult from the eligibility determination for the corresponding recipient family for a period of two months in addition to the period required under paragraph (a) of this subsection.]

[(c) Subsequent and continued failure of an individual to cooperate in mandatory education, employment or job training programs beyond the period described in paragraph (b) of this subsection shall result in termination of all aid.]

[(d) The department shall adopt rules defining standards for cooperation in programs for education, employment or job training as provided in this subsection.]

[(5) Aid terminated under subsection (4) of this section shall be restored upon demonstrated cooperation, as defined by the department, in applicable education, employment or job training programs.]

(3) The department by rule shall adopt proven methods of encouraging participants' full engagement in the job opportunity and basic skills program, including the development of an individualized case plan in accordance with ORS 418.040.

(4)(a) The department may not reduce the family's aid payment as a method of encouraging full engagement in the job opportunity and basic skills program pursuant to subsection (3) of this section until the department determines that the noncompliant needy caretaker relative:

(A) Has no barriers or refuses to take appropriate steps to address identified barriers to participation in the program;

(B) Has the ability to be fully engaged in the program as defined by the department by rule; and

(C) Is willfully noncompliant with the requirements of the individualized case plan.

(b) The department may not reduce aid payments under this subsection to families:

(A) Receiving aid pursuant to ORS 418.155 or section 8 of this 2007 Act;

(B) In which the caretaker relative participates in suitable activities for the number of hours required each month to satisfy federally required participation rates; or

(C) Until the department has screened for and, if appropriate, assessed barriers to participation, including but not limited to physical or mental health needs, substance abuse, domestic violence or learning needs.

(c) The department may not reduce aid payments under this subsection before assessing the risk of harm posed to the children in the household by the reduction in aid payments and taking steps to ameliorate the risk.

(5)(a) The department may reduce the aid payment to a family in accordance with subsection (4) of this section following notice and an opportunity for a hearing under ORS chapter 183, as follows:

(A) The department may reduce the aid payment by the portion attributable to the needs of the noncompliant individual for up to three months.

(B) After three months of noncompliance and subject to subsection (4)(c) of this section, the department may terminate the aid payment to the family.

(b) Any reduction or termination in aid under this section may continue until the noncompliant individual participates in suitable activities required by the case plan for two consecutive weeks.

(c) A caretaker relative may request a hearing to contest the basis for a reduction in or termination of an aid payment within 90 days of a reduction in or termination of aid.

(6) Every six months, the department shall report to the Family Services Review Commission established under ORS 411.125 the status of and outcomes for families for whom aid

has been reduced or terminated under subsection (5) of this section. The department shall work with the commission to establish the details to be provided in the report.

SECTION 3a. ORS 418.045, as amended by section 3 of this 2007 Act, is amended to read:

418.045. (1) The need for and amount of aid pursuant to the temporary assistance for needy families to be granted for any dependent child or relative pursuant to ORS 418.040 shall be determined, in accordance with the rules of the Department of Human Services, taking into account:

(a) The income, resources and maintenance available to such child and relative from whatever source derived, allowable deductions and the statewide income and payment standards.

(b) The income and financial condition of the stepparent, if any, of the child for whom aid is sought.

(2) Subsection (1)(b) of this section is not intended to relieve any parent of any legal obligation in respect of the support of the natural or adopted children of the parent.

(3) In determining the need for and amount of aid to be granted under subsection (1) of this section and under ORS 411.070, the department shall:

(a) Disregard no less than \$50 of the amount of child support received for each child per month, up to a total of \$200 or the maximum established by federal law, for the family; and

(b) Disregard any other amounts of income and resources of the family as the department may prescribe by rule.

[3] (4) The department by rule shall adopt proven methods of encouraging participants' full engagement in the job opportunity and basic skills program, including the development of an individualized case plan in accordance with ORS 418.040.

[(4)(a)] **(5)(a)** The department may not reduce the family's aid payment as a method of encouraging full engagement in the job opportunity and basic skills program pursuant to subsection [(3)] **(4)** of this section until the department determines that the noncompliant needy caretaker relative:

(A) Has no barriers or refuses to take appropriate steps to address identified barriers to participation in the program;

(B) Has the ability to be fully engaged in the program as defined by the department by rule; and

(C) Is willfully noncompliant with the requirements of the individualized case plan.

(b) The department may not reduce aid payments under this subsection to families:

(A) Receiving aid pursuant to ORS 418.155 or section 8 of this 2007 Act;

(B) In which the caretaker relative participates in suitable activities for the number of hours required each month to satisfy federally required participation rates; or

(C) Until the department has screened for and, if appropriate, assessed barriers to participation, including but not limited to physical or mental health needs, substance abuse, domestic violence or learning needs.

(c) The department may not reduce aid payments under this subsection before assessing the risk of harm posed to the children in the household by the reduction in aid payments and taking steps to ameliorate the risk.

[(5)(a)] **(6)(a)** The department may reduce the aid payment to a family in accordance with subsection [(4)] **(5)** of this section following notice and an opportunity for a hearing under ORS chapter 183, as follows:

(A) The department may reduce the aid payment by the portion attributable to the needs of the noncompliant individual for up to three months.

(B) After three months of noncompliance and subject to subsection [(4)(c)] **(5)(c)** of this section, the department may terminate the aid payment to the family.

(b) Any reduction or termination in aid under this section may continue until the noncompliant individual participates in suitable activities required by the case plan for two consecutive weeks.

(c) A caretaker relative may request a hearing to contest the basis for a reduction in or termination of an aid payment within 90 days of a reduction in or termination of aid.

[(6)] **(7)** Every six months, the department shall report to the Family Services Review Commission established under ORS 411.125 the status of and outcomes for families for whom aid has been

reduced or terminated under subsection [(5)] **(6)** of this section. The department shall work with the commission to establish the details to be provided in the report.

SECTION 4. ORS 418.070 is amended to read:

418.070. **(1)** *[For the purposes of ORS 418.035 to 418.185,]* With respect to any period for which federal funds are made available to this state in aid of a state-administered program of aid to any child defined in and meeting the requirements of this section[:], **the Department of Human Services may provide foster care payments**

[(1) "Aid" includes foster care] in behalf of a child *[described in subsection (2)(b) of this section]* in the foster home of any individual or in a licensed nonprofit private child-caring agency[.] **who:**

[(2) "Dependent Child" includes:]

(a) **Is** a needy child meeting the requirements of ORS 418.035 *[(2)(b)(A)]* **(3)(b)(A)** or (B) who has been deprived of parental support or care by reason of the **continued absence from the home, the physical or mental incapacity or the unemployment or underemployment** of a parent or parents; *[and who is living with any of the relatives specified in ORS 418.035 (2) in a place of residence maintained by one or more of such relatives as the relative's or relatives' own home.]*

[(b) a child:]

[(A)] **(b)** *[Who]* Would meet the requirements of ORS *[418.035 (2) or of paragraph (a) of this subsection]* **418.040** except for **the removal of the child** from the home of a **caretaker** relative *[specified in ORS 418.035 (2)]* as a result of a judicial determination to the effect that continuation therein would be contrary to the welfare of such child;

[(B)] **(c)** *[Who]* Has been accepted for placement and care by the department *[of Human Services];*

[(C)] **(d)** *[Who]* Has been placed in a foster home or licensed nonprofit private child-caring agency as a result of such determination; and

[(D)] **(e)** *[Who]* Received aid in or for the month in which court proceedings leading to such determination were initiated, or would have received such aid in or for such month if application had been made therefor, or in the case of a child who had been living with a **caretaker** relative *[specified]* **as defined** in ORS 418.035 *[(2)]* within six months prior to the month in which such proceedings were initiated, would have received such aid in or for such month if in such month the child had been living with and removed from the home of such a relative and application had been made therefor.

[(3)] **(2)** "Foster home" means a foster home which is certified by this state or has been approved, by the agency of this state responsible for the certification of foster homes, as meeting the standards established for such certification.

[(4)] "Unemployment of parent" shall be defined by the department and such definition may take into account definitions used to establish the availability of federal funds for the program of temporary assistance for needy families.]

SECTION 5. ORS 418.131 is amended to read:

418.131. **(1)** **Except as provided in subsections (2) and (3) of this section, a needy caretaker relative may** *[a person shall]* not receive aid **under ORS 418.040** for more than a total of *[24 months in any period of 84 consecutive]* **60** months.

[(2) For purposes of determining the 24-month limitation described in subsection (1) of this section, a month in which one parent of a family receiving aid under ORS 418.035 to 418.125 receives gross earnings in an amount equal to 173 times the hourly minimum wage as provided in ORS 653.025 but in an amount that does not exceed the eligibility requirements for aid under ORS 418.035 to 418.125 shall be counted as two-fifths of a month.]

[(3) The 24-month limitation described in subsection (1) of this section shall not apply to:]

[(a) A month in which a dependent child receiving aid resides with a person other than the child's natural or adoptive parent;]

[(b) Up to three months within a two-year period for the care of any family members who suffer serious health conditions as defined in ORS 659A.150; or]

[(c) A household with only one parent in which the basis of eligibility is the incapacity of that parent or, in a household with two parents, if both parents are incapacitated or one parent is required in the home to care for the incapacitated parent.]

[(4) A person whose aid is terminated under subsection (1) of this section may become eligible to receive aid, as determined by the Department of Human Services, in excess of 24 months if:]

[(a) The former recipient is a dependent child in a two-parent household and the primary wage earner in the household dies;]

[(b) The former recipient is a dependent child and the child resides with a person other than the parent, parents or legal guardian with whom the child lived at the time the child was receiving aid; or]

[(c) The former recipient is a parent of a dependent child receiving aid and the department determines that the parent is making diligent efforts in good faith to obtain permanent employment. The number of families receiving aid under this paragraph in any month may not exceed one percent of the total number of families receiving aid in that month or 400 families, whichever is greater.]

[(5)(a) The time limitations described in subsection (1) of this section do not apply to any person who is:]

[(A) Required to participate in the JOBS Program unless the person has been offered the opportunity to participate in an education, employment or job training program including teen parent programs as defined by the department.]

[(B) Participating in an employment and training program including any employment search activities required by the program.]

[(C) Enrolled at an educational institution under section 1, chapter 212, Oregon Laws 2003.]

[(b) The department shall report to each session of the Legislative Assembly the number of families whose period of time receiving aid has exceeded the time limitations of subsection (1) of this section because of the exceptions provided under paragraph (a) of this subsection. The report shall include information sufficient to permit the Legislative Assembly to determine if the exceptions make a significant contribution to increased self-sufficiency of persons granted an exemption.]

(2) The Department of Human Services may not count toward the 60-month limit on receipt of aid described in subsection (1) of this section any month in which a needy caretaker relative:

(a) Receives a grant of temporary assistance to needy families under ORS 418.035 to 418.125, or assistance funded under Title IV-A of the Social Security Act in this or another state, prior to July 1, 2003;

(b) Resides in an area described in 18 U.S.C. 1151, and 50 percent or more of the adult residents in the area are unemployed;

(c) Is, in that month, a minor child and neither the head of the household nor married to the head of the household;

(d) Receives aid under ORS 418.035 to 418.172 that is not funded with grants under Title IV-A of the Social Security Act;

(e) Is enrolled at an educational institution under section 1, chapter 212, Oregon Laws 2003;

(f) Is exempt from time limits pursuant to rules adopted by the department in accordance with section 408(a)(7)(C) of the Social Security Act; or

(g) Is unable to obtain or maintain employment for a sufficient number of hours in a month to satisfy the federally required participation rates because the needy caretaker relative:

(A) Is a victim of domestic violence as defined in ORS 411.117;

(B) Has a certified learning disability;

(C) Has a mental health condition or an alcohol or drug abuse problem;

(D) Has a disability as defined by the department by rule in a manner consistent with the definition of disability in the Americans with Disabilities Act;

(E) Has a child with a disability;

(F) Is deprived of needed medical care; or

(G) Is subjected to battery or extreme cruelty as defined by the department by rule.

(3) A needy caretaker relative may not be denied aid on the basis of the 60-month limitation described in subsection (1) of this section if the individual is experiencing a situation described in subsection (2) of this section.

[(6)(a)] (4)(a) The Department of Human Services shall monitor the average period of time a person receives aid and shall record such information by family size. The department shall monitor the wages and benefits received by an individual who becomes employed while receiving aid, including medical and child care benefits. The department shall monitor and record the rate at which persons who cease receiving aid for employment subsequently apply for and receive aid.

(b) The department shall report the results of the monitoring required under paragraph (a) of this subsection to the Legislative Assembly not later than the 15th day of each legislative session.

SECTION 5a. ORS 418.134 is amended to read:

418.134. (1) The Department of Human Services shall refer a person applying for or receiving temporary assistance for needy families to an evaluation by a mental health or drug abuse professional if the department reasonably believes such referral is necessary. The Department of Human Services shall develop guidelines to assist in the identification and referral of individuals requiring mental health or drug abuse treatment.

(2) If an evaluation conducted under subsection (1) of this section determines that mental health or drug abuse treatment is necessary for the person to function successfully in the workplace, the department shall provide such resources as are necessary and available for the person to participate in and successfully complete treatment.

(3) A person who refuses to participate in an evaluation under subsection (1) of this section or treatment under subsection (2) of this section shall *[have payments reduced by the amount of \$50 for a period of two months. Continued refusal to participate during the two months of payment reduction shall result in removal of the nonparticipating person from the eligibility determination for two months. Continued refusal to participate during the two months of ineligibility shall result in termination of all aid payments for the family]* **be subject to the provisions of ORS 418.045 (4) and (5).**

(4) The department shall provide training to staff who work directly with persons applying for or receiving temporary assistance for needy families in assessment and evaluation of mental health disorders, addictions and battered women's syndrome as may be necessary to implement the provisions of subsection (1) of this section.

SECTION 5b. ORS 418.134, as amended by section 5a of this 2007 Act, is amended to read:

418.134. (1) The Department of Human Services shall refer a person applying for or receiving temporary assistance for needy families to an evaluation by a mental health or drug abuse professional if the department reasonably believes such referral is necessary. The Department of Human Services shall develop guidelines to assist in the identification and referral of individuals requiring mental health or drug abuse treatment.

(2) If an evaluation conducted under subsection (1) of this section determines that mental health or drug abuse treatment is necessary for the person to function successfully in the workplace, the department shall provide such resources as are necessary and available for the person to participate in and successfully complete treatment.

(3) A person who refuses to participate in an evaluation under subsection (1) of this section or treatment under subsection (2) of this section shall be subject to the provisions of ORS 418.045 [(4) and] (5) **and (6).**

(4) The department shall provide training to staff who work directly with persons applying for or receiving temporary assistance for needy families in assessment and evaluation of mental health disorders, addictions and battered women's syndrome as may be necessary to implement the provisions of subsection (1) of this section.

SECTION 5c. ORS 418.149 is amended to read:

418.149. (1) For purposes of ORS 418.035, [where a parent is living out of] **if a parent does not reside in** the home in which the child resides, it shall be assumed that the child is deprived of parental support or care by reason of the continued absence of the parent unless:

(a) The parent visits the child in the child's home more than four times per week or more than [a total of 12] **a total of 30** hours per week; and

(b) The functioning of the parent as a provider of maintenance, physical care and guidance is not interrupted or terminated as a result of absence of the parent from the home.

(2) A determination that a needy child is not deprived of parental support or care by reason of the continued absence of a parent shall not be based solely on an award by a court of joint legal custody.

SECTION 6. ORS 418.155 is amended to read:

418.155. [As used in ORS 418.150 to 418.172, unless the context or a specially applicable statutory definition requires otherwise:]

[1] "*Employment and training program*" means a program for placing as many individuals as is possible in employment.]

[2] "*JOBS Plus Program and work experience program*" and "*on the job training*" mean work site programs for those individuals for whom such training is likely to lead to regular employment.]

[3] "*JOBS program*" means programs established by the Department of Human Services, pursuant to the temporary assistance for needy families program and rules adopted thereunder.]

(1) The Department of Human Services shall continue to provide aid to families residing in Oregon that become ineligible for temporary assistance for needy families under ORS 418.040 due to employment or increased hours of work.

(2) Families may receive aid under this section for 12 consecutive months or until the household income exceeds 250 percent of the federal poverty guidelines, whichever occurs first, as long as the caretaker relatives participate in combined employment and work activities for the number of hours required each month to satisfy federally required participation rates.

(3) If the needy caretaker relatives cease to participate in employment or suitable activities for a sufficient number of hours each month to satisfy federally required participation rates, the department shall determine eligibility under ORS 418.040 based upon information available to the department. If the department does not have sufficient information available to determine eligibility for aid under ORS 418.040, the department shall provide notice and an opportunity for hearing prior to terminating aid. The notice must state the information that the department lacks and that the caretaker relatives must provide to complete the determination for aid.

(4) The department by rule shall establish standards for aid provided under this section. The department must disregard such aid for purposes of publicly subsidized child care assistance.

(5) In addition to money payments, aid includes necessary support service payments and services as part of the job opportunity and basic skills program to directly or indirectly assist the family in achieving long term financial stability.

SECTION 7. Section 8 of this 2007 Act is added to and made a part of ORS 418.035 to 418.125.

SECTION 8. (1) There is created in the Department of Human Services the State Family Pre-SSI/SSDI program. The department shall provide aid under this section to families that are eligible for temporary assistance for needy families under ORS 418.035 to 418.125 and that include a needy caretaker relative who is unable to maintain substantial gainful activity due to a disability or combination of disabilities that meet the criteria of section 216 of the Social Security Act.

(2) The department shall assist families receiving aid under this section in qualifying for federal Supplemental Security Income and Social Security disability benefits, including obtaining necessary medical records and evaluations. The department shall contract with

nonprofit legal services organizations, or lawyers lawfully admitted to the bar of any state, to represent recipients in any administrative appeal.

(3) The department shall adopt rules for determining the amount of aid granted under this section that is not less than the combined total of 43 percent of the Supplemental Security Income payment in effect at that time and the amount of aid the child would receive under ORS 418.040 if the caretaker relative did not receive aid.

(4) Participation in the State Family Pre-SSI/SSDI program shall be voluntary. The department shall provide information to potential participants in the State Family Pre-SSI/SSDI program about the opportunities for employment while receiving Supplemental Security Income benefits and about employment resources available to State Family Pre-SSI/SSDI program participants. The information must be in a format accessible to the potential participant.

(5) Participants in the State Family Pre-SSI/SSDI program must cooperate with the department in establishing eligibility for Supplemental Security Income or Social Security disability benefits. The department by rule may establish policies for monitoring and encouraging full engagement in the State Family Pre-SSI/SSDI program, including activities that promote family stability. The department shall offer participants the opportunity to participate in any suitable activity in the job opportunity and basic skills program under ORS 418.045.

SECTION 9. ORS 411.105 is amended to read:

411.105. (1) A person seeking public assistance shall file an application for public assistance with the Department of Human Services. At the time of application, the applicant shall declare to the department any circumstance that directly affects the applicant's eligibility to receive assistance or the amount of assistance available to the applicant. Upon the receipt of property or income or upon any other change in circumstances that directly affects the eligibility of the recipient to receive assistance or the amount of assistance available to the recipient, the applicant, recipient or other person in the assistance household shall immediately notify the department of the receipt or possession of such property or income, or other change in circumstances. The department shall recover from the recipient the amount of assistance improperly disbursed by reason of failure to comply with the provision of this section.

(2) The department may recover any cash assistance granted for general assistance under ORS 411.710 to 411.730 **and the recipient's portion of the aid described in section 8 (3) of this 2007 Act** that has been paid to any recipient **18 years of age or older, and for the costs incurred by the department to provide representation to the recipient under section 8 (2) of this 2007 Act**, when [*that*] **the** recipient is presently receiving or subsequently receives Supplemental Security Income. The amount of recovery shall be limited to the total amount of Supplemental Security Income that was received for the same time period that the general assistance **or the aid received under section 8 of this 2007 Act** was being paid.

(3) Nothing in subsection (1) or (2) of this section shall be construed as to prevent the department from entering into a compromise agreement for recovery of assistance improperly disbursed, if the department determines that the administration and collection costs involved would exceed the amount that can reasonably be expected to be recovered.

SECTION 10. ORS 25.020 is amended to read:

25.020. (1) Support payments for or on behalf of any person, ordered, registered or filed under ORS chapter 25, 107, 108, 109, 110, 416, 419B or 419C, unless otherwise authorized by ORS 25.030, shall be made to the Department of Justice, as the state disbursement unit:

(a) During periods for which support is assigned under ORS 418.032, 418.042, 419B.406 or 419C.597;

(b) As provided by rules adopted under ORS 180.345, when public assistance is provided to a person who receives or has a right to receive support payments on the person's own behalf or on behalf of another person;

(c) After the assignment of support terminates for as long as amounts assigned remain owing;

- (d) For any period during which support enforcement services are provided under ORS 25.080;
- (e) When ordered by the court under ORS 419B.400;
- (f) When a support order that is entered or modified on or after January 1, 1994, includes a provision requiring the obligor to pay support by income withholding; or
- (g) When ordered by the court under any other applicable provision of law.

(2)(a) The Department of Justice shall disburse payments, after lawful deduction of fees and in accordance with applicable statutes and rules, to those persons and entities that are lawfully entitled to receive such payments.

(b) During a period for which support is assigned under ORS 418.042, for an obligee described in subsection (1)(b) of this section, the department shall distribute to the obligee, from child support collected each month, \$50 for each child up to a maximum of \$200 per family.

(3)(a) When the administrator is providing support enforcement services under ORS 25.080, the obligee may enter into an agreement with a collection agency, as defined in ORS 697.005, for assistance in collecting child support payments.

(b) The Department of Justice:

(A) Shall disburse support payments, to which the obligee is legally entitled, to the collection agency if the obligee submits the completed form referred to in paragraph (c)(A) of this subsection to the department;

(B) May reinstate disbursements to the obligee if:

- (i) The obligee requests that disbursements be made directly to the obligee;
- (ii) The collection agency violates any provision of this subsection; or
- (iii) The Department of Consumer and Business Services notifies the Department of Justice that the collection agency is in violation of the rules adopted under ORS 697.086;

(C) Shall credit the obligor's account for the full amount of each support payment received by the department and disbursed to the collection agency; and

(D) Shall develop the form referred to in paragraph (c)(A) of this subsection, which shall include a notice to the obligee printed in type size equal to at least 12-point type that the obligee may be eligible for support enforcement services from the department or the district attorney without paying the interest or fee that is typically charged by a collection agency.

(c) The obligee shall:

(A) Provide to the department, on a form approved by the department, information about the agreement with the collection agency; and

(B) Promptly notify the department when the agreement is terminated.

(d) The collection agency:

(A) May provide investigative and location services to the obligee and disclose relevant information from those services to the administrator for purposes of providing support enforcement services under ORS 25.080;

(B) May not charge interest or a fee for its services exceeding 29 percent of each support payment received unless the collection agency, if allowed by the terms of the agreement between the collection agency and the obligee, hires an attorney to perform legal services on behalf of the obligee;

(C) May not initiate, without written authorization from the administrator, any enforcement action relating to support payments on which support enforcement services are provided by the administrator under ORS 25.080; and

(D) Shall include in the agreement with the obligee a notice printed in type size equal to at least 12-point type that provides information on the fees, penalties, termination and duration of the agreement.

(e) The administrator may use information disclosed by the collection agency to provide support enforcement services under ORS 25.080.

(4) The Department of Justice may immediately transmit payments received from any obligor who has not previously tendered any payment by a check or instrument that was not paid or was

dishonored, to the obligee, without waiting for payment or clearance of the check or instrument received.

(5) The Department of Justice shall notify each obligor and obligee by mail when support payments shall be made to the department and when the obligation to make payments in this manner shall cease.

(6)(a) The administrator shall provide information about a child support account directly to a party to the support order regardless of whether the party is represented by an attorney. As used in this subsection, "information about a child support account" means the:

- (A) Date of issuance of the support order.
- (B) Amount of the support order.
- (C) Dates and amounts of payments.
- (D) Dates and amounts of disbursements.
- (E) Payee of any disbursements.
- (F) Amount of any arrearage.
- (G) Source of any collection.

(b) Nothing in this subsection limits the information the administrator may provide by law to a party who is not represented by an attorney.

(7) Any pleading for the entry or modification of a support order must contain a statement that payment of support under a new or modified order will be by income withholding unless an exception to payment by income withholding is granted under ORS 25.396.

(8)(a) Except as provided in paragraphs (d) and (e) of this subsection, a judgment or order establishing paternity or including a provision concerning support must contain:

- (A) The residence, mailing or contact address, Social Security number, telephone number and driver license number of each party;
- (B) The name, address and telephone number of all employers of each party;
- (C) The names and dates of birth of the joint children of the parties; and
- (D) Any other information required by rule adopted by the Chief Justice of the Supreme Court under ORS 1.002.

(b) The judgment or order shall also include notice that the obligor and obligee:

- (A) Must inform the court and the administrator in writing of any change in the information required by this subsection within 10 days after the change; and
- (B) May request that the administrator review the amount of support ordered after two years or at any time upon a substantial change of circumstances.

(c) The administrator may require of the parties any additional information that is necessary for the provision of support enforcement services under ORS 25.080.

(d)(A) Upon a finding, which may be made ex parte, that the health, safety or liberty of a party or child would unreasonably be put at risk by the disclosure of information specified in this subsection or by the disclosure of other information concerning a child or party to a paternity or support proceeding or if an existing order so requires, a court or administrator or administrative law judge, when the proceeding is administrative, shall order that the information not be contained in any document provided to another party or otherwise disclosed to a party other than the state.

(B) The Department of Justice shall adopt rules providing for similar confidentiality for information described in subparagraph (A) of this paragraph that is maintained by an entity providing support enforcement services under ORS 25.080.

(e) The Chief Justice of the Supreme Court may, in consultation with the Department of Justice, adopt rules under ORS 1.002 to designate information specified in this subsection as confidential and require that the information be submitted through an alternate procedure to ensure that the information is exempt from public disclosure under ORS 192.502.

(9)(a) Except as otherwise provided in paragraph (b) of this subsection, in any subsequent child support enforcement action, the court or administrator, upon a showing of diligent effort made to locate the obligor or obligee, may deem due process requirements to be met by mailing notice to the last-known residential, mailing or employer address or contact address as provided in ORS 25.085.

(b) Service of an order directing an obligor to appear in a contempt proceeding is subject to ORS 33.015 to 33.155.

(10) Subject to ORS 25.030, this section, to the extent it imposes any duty or function upon the Department of Justice, shall be deemed to supersede any provisions of ORS chapters 107, 108, 109, 110, 416, 419A, 419B and 419C that would otherwise impose the same duties or functions upon the county clerk or the Department of Human Services.

(11) Except as provided for in subsections (12), (13) and (14) of this section, credit may not be given for payments not made to the Department of Justice as required under subsection (1) of this section.

(12) The Department of Justice shall give credit for payments not made to the department:

(a) When payments are not assigned to this or another state and the obligee and obligor agree in writing that specific payments were made and should be credited;

(b) When payments are assigned to the State of Oregon, the obligor and obligee make sworn written statements that specific payments were made, canceled checks or other substantial evidence is presented to corroborate their statements and the obligee has been given prior written notice of any potential criminal or civil liability that may attach to an admission of the receipt of assigned support;

(c) When payments are assigned to another state and that state verifies that payments not paid to the department were received by the other state; or

(d) As provided by rule adopted under ORS 180.345.

(13) An obligor may apply to the Department of Justice for credit for payments made other than to the Department of Justice. If the obligee or other state does not provide the agreement, sworn statement or verification required by subsection (12) of this section, credit may be given pursuant to order of an administrative law judge assigned from the Office of Administrative Hearings after notice and opportunity to object and be heard are given to both obligor and obligee. Notice shall be served upon the obligee as provided by ORS 25.085. Notice to the obligor may be by regular mail at the address provided in the application for credit. A hearing conducted under this subsection is a contested case hearing and ORS 183.413 to 183.470 apply. Any party may seek a hearing de novo in the circuit court.

(14) Nothing in this section precludes the Department of Justice from giving credit for payments not made to the department when there has been a judicially determined credit or satisfaction or when there has been a satisfaction of support executed by the person to whom support is owed.

(15) The Department of Justice shall adopt rules that:

(a) Direct how support payments that are made through the department are to be applied and distributed; and

(b) Are consistent with federal regulations.

SECTION 11. ORS 25.245 is amended to read:

25.245. (1) Notwithstanding any other provision of Oregon law, a parent who is eligible for and receiving cash payments [*under Title IV-A of the Social Security Act*] **under ORS 418.035 to 418.125**, the general assistance program as provided in ORS chapter 411 or a general assistance program of another state or tribe, the Oregon Supplemental Income Program or the federal Supplemental Security Income Program shall be rebuttably presumed unable to pay child support and a child support obligation does not accrue unless the presumption is rebutted.

(2) Each month, the Department of Human Services shall identify those persons receiving cash payments under the programs listed in subsection (1) of this section that are administered by the State of Oregon and provide that information to the administrator. If benefits are received from programs listed in subsection (1) of this section that are administered by other states, tribes or federal agencies, the obligor shall provide the administrator with written documentation of the benefits. The Department of Human Services shall adopt rules to implement this subsection.

(3) The administrator shall refer to the information provided in subsection (2) of this section prior to establishing any child support obligation. Within 30 days following identification of persons under subsection (2) of this section, the entity responsible for support enforcement services under

ORS 25.080 shall provide notice of the presumption to the obligee and obligor and shall inform all parties to the support order that, unless a party objects as provided in subsection (4) of this section, child support shall cease accruing beginning with the support payment due on or after the date the obligor first begins receiving the cash payments and continuing through the support payment due in the last month in which the obligor received the cash payments. The entity responsible for support enforcement services shall serve the notice on the obligee in the manner provided for the service of summons in a civil action or by certified mail, return receipt requested, and shall serve the notice on the obligor by first class mail to the obligor's last-known address. The notice shall specify the month in which cash payments are first made and shall contain a statement that the administrator represents the state and that low cost legal counsel may be available.

(4) A party may object to the presumption by sending an objection to the entity responsible for support enforcement services under ORS 25.080 within 20 days after the date of service of the notice. The objection must describe the resources of the obligor or other evidence that might rebut the presumption of inability to pay child support. The entity receiving the objection shall cause the case to be set for a hearing before a court or an administrative law judge. The court or administrative law judge may consider only whether the presumption has been rebutted.

(5) If no objection is made, or if the court or administrative law judge finds that the presumption has not been rebutted, the Department of Justice shall discontinue billing the obligor for the period of time described in subsection (3) of this section and no arrearage shall accrue for the period during which the obligor is not billed. In addition, the entity providing support enforcement services shall file with the circuit court in which the support order or judgment has been entered a copy of the notice described in subsection (3) of this section or, if an objection is made and the presumption is not rebutted, a copy of the administrative law judge's order.

(6)(a) Within 30 days after the date the obligor ceases receiving cash payments under a program listed in subsection (1) of this section, the Department of Justice shall provide notice to all parties to the support order:

(A) Specifying the last month in which a cash payment was made;

(B) Stating that the payment of those benefits has terminated and that by operation of law billing and accrual of support resumes; and

(C) Informing the parties of their rights to request a review and modification of the support order based on a substantial change in circumstance or pursuant to ORS 25.287 or any other provision of law.

(b) The notice shall include a statement that the administrator represents the state and that low cost legal counsel may be available.

(c) The entity providing enforcement services shall file a copy of the notice required by paragraph (a) of this subsection with the circuit court in which the support order or judgment has been entered.

(7) Receipt by a child support obligor of cash payments under any of the programs listed in subsection (1) of this section shall be sufficient cause for a court or administrative law judge to allow a credit and satisfaction against child support arrearage for months that the obligor received the cash payments.

(8) The notice and finding of financial responsibility required by ORS 416.415 shall include notice of the presumption, nonaccrual and arrearage credit rights provided for in this section.

(9) The presumption, nonaccrual and arrearage credit rights created by this section shall apply whether or not child support enforcement services are being provided under Title IV-D of the Social Security Act.

(10) Application of the presumption, nonaccrual and arrearage credit rights created by this section does not constitute a modification but does not limit the right of any party to seek a modification of a support order based upon a change of circumstances or pursuant to ORS 25.287 or any other provision of law. In determining whether a change in circumstances has occurred or whether two years have elapsed since entry of a support order, the court or administrative law judge may

not consider any action taken under this section as entry of a support order. The presumption stated in subsection (1) of this section applies in any modification proceeding.

SECTION 12. ORS 418.042 is amended to read:

418.042. (1) Aid, as defined in ORS 418.035, may not be granted to, or on behalf of, any applicant or recipient and for as long as the applicant or recipient refuses to assign to the state any rights to support from any other person such applicant may have personally or in behalf of any other family member for whom the applicant is applying for or receiving aid, and that have accrued at any time such assignment is executed. If aid is paid and received for the support of a child, the rights to child support that any person may have for the child are deemed to have been assigned by operation of law to the state. Notice of the assignment by operation of law shall be given to the applicant at the time of application for public assistance, and shall be given to any obligee who may hold some interest in such support rights by depositing a notice in the United States mail, postage prepaid, addressed to the last-known address of such person. Assignment of support rights to the state shall be as set forth in rules adopted by the Department of Human Services and the Department of Justice.

(2) Except as otherwise provided in this subsection, an applicant or recipient who receives aid as defined in ORS 418.035 shall cooperate with the Department of Human Services and the Department of Justice in establishing the paternity of the applicant's or recipient's child born out of wedlock and in obtaining support or other payments or property due the applicant or child. An applicant or recipient is not required to cooperate if there is good cause or some other exception to the cooperation requirement that takes into account the best interest of the child. The Department of Human Services shall adopt rules defining good cause, other exceptions to cooperation and non-cooperation by an applicant or recipient, and setting the sanction for noncooperation. The sanction may include total ineligibility of the family for aid, but in no situation may the sanction be less than a 25 percent reduction of the monthly grant amount. At the time an applicant applies for aid, the Department of Human Services shall inform the applicant, in writing, of the requirement of and exceptions to cooperation and the sanctions for noncooperation, and shall inform recipients, in writing, whenever eligibility for aid is redetermined.

(3) This section shall apply to recipients of aid under ORS 418.035 to 418.125 and 418.155 only as long as the aid is funded in whole or in part with federal grants under Title IV-A of the Social Security Act.

SECTION 13. ORS 411.070 is amended to read:

411.070. The Department of Human Services shall by rule fix statewide uniform standards for all public assistance programs and effect uniform observance thereof throughout the state. In establishing statewide standards for public assistance, the department, within the limits of available funds, shall:

(1) Take into consideration all basic requirements for a standard of living compatible with decency and health, including food, shelter, clothing, fuel, public utilities, telecommunications service, medical care and other essential items and, upon the basis of investigations of the facts, shall provide budgetary guides for determining minimum costs of meeting such requirements.

(2) Develop standards for making payments and providing support services [*for the employment and self-sufficiency skills programs*] **in the job opportunity and basic skills program** described in ORS 418.040.

SECTION 14. ORS 418.075 is amended to read:

418.075. Aid[*as defined in ORS 418.035,*] **under ORS 418.040** shall not be granted with respect to, or on behalf of, a dependent child [*as defined in ORS 418.070 (2)(a)*] **living with an unemployed parent** if, and for as long as, the unemployed parent of such child refuses without good cause to accept employment in which the unemployed parent is able to engage and which is offered through any employment office defined in ORS 657.010 or which is otherwise offered by any employer if such offer is determined by the Department of Human Services after notification by such employer to be a bona fide offer of such employment.

SECTION 15. ORS 418.085 is amended to read:

418.085. During any period in which aid may be granted **under ORS 418.040** with respect to, or on behalf of, a dependent child [*as defined in ORS 418.070 (2)(a)*] **living with an unemployed parent**, the Department of Human Services and the Director of the Employment Department shall enter into cooperative arrangements looking toward employment of the unemployed parent of any such child, shall provide for the registration and periodic reregistration of such parent at employment offices established pursuant to ORS 657.705 to 657.725 and shall, with respect to such parent, effect maximum utilization of the job placement services and other services and facilities of such offices.

SECTION 16. ORS 418.132 is amended to read:

418.132. (1) A person who is a minor parent of a child and is receiving or applying for aid [*as defined in ORS 418.035*] shall reside with the person's parent, parents or legal guardian. The person may substitute an alternative supervised living arrangement if the Department of Human Services determines that it is unsafe or impractical for the person to reside with the person's parent, parents or legal guardian. Failure of a minor parent applying for or receiving temporary assistance for needy families to reside with the person's parent, parents or legal guardian or in an alternative supervised living arrangement shall result in the termination of aid.

(2) The provisions of subsection (1) of this section shall not apply to an applicant for or recipient of temporary assistance for needy families when circumstances or conditions exist that the department by rule establishes are not in the best interest of the child.

(3) If a person who is a minor parent receiving aid and who is not living with the person's parent, parents or legal guardian subsequently returns to reside with the parent, parents or guardian and is determined ineligible to receive aid by reason of the parent's or guardian's income, the minor parent shall be eligible to receive such services, including medical care, as the department determines are necessary to allow the minor parent to attain a high school diploma or the equivalent, or to participate in [*programs to develop employment or self-sufficiency skills*] **the job opportunity and basic skills program** as described [*by the department*] in ORS 418.040.

SECTION 17. ORS 411.892 is amended to read:

411.892. (1)(a) All employers, including public and private sector employers within the State of Oregon, are eligible to participate in the JOBS Plus Program. The Department of Human Services or Employment Department, as appropriate, shall adopt by rule a method to disqualify employers from participating in the program. No employer is required to participate in the JOBS Plus Program. In the event that there are unassigned participants whom no employer desires to utilize, the participants may be assigned to work for a public agency.

(b) The maximum number of program participants that any employer is authorized to receive at any one time may not exceed 10 percent of the total number of the employer's employees. However, each employer may receive one participant. The Director of Human Services or Director of the Employment Department, as appropriate, may waive the limit in special circumstances.

(c) The Department of Human Services or Employment Department, as appropriate, by rule shall establish criteria for excluding employers from participation for failure to abide by program requirements, showing a pattern of terminating participants prior to the completion of training or other demonstrated unwillingness to comply with the stated intent of the program.

(2) The Department of Human Services or Employment Department, as appropriate, shall ensure that jobs made available to program participants:

(a) Do not require work in excess of 40 hours per week;

(b) Are in conformity with section 3304(a)(5) of the Federal Unemployment Tax Act;

(c) Are not used to displace regular employees or to fill unfilled positions previously established; and

(d) Do not pay a wage that is substantially less than the wage paid for similar jobs in the local economy with appropriate adjustments for experience and training.

(3)(a) Eligibility for the program shall be limited to residents who are:

(A) Adults and caretaker relatives who are receiving temporary assistance for needy families benefits;

- (B) Adult food stamp program recipients except as described in subsection (5)(b) of this section;
- (C) Unemployment compensation recipients; and
- (D) Unemployed noncaretaker parents of children who are receiving temporary assistance for needy families benefits.

(b) In addition to those residents eligible for the program under paragraph (a) of this subsection, additional residents who are seeking employment may be eligible for the program if there are legislatively allocated funds available from the savings attributable to the program in the Unemployment Compensation Trust Fund or in the temporary assistance for needy families budget of the Department of Human Services.

(4)(a) Individuals desiring work through the program shall contact the nearest Department of Human Services office serving the county in which they reside if they are temporary assistance for needy families program or food stamp program applicants or recipients or noncustodial parents of individuals receiving temporary assistance for needy families. Unemployment insurance applicants or recipients or others seeking employment may gain access to the program through their local Employment Department office.

(b) With the assistance of the local JOBS Plus Implementation Councils and the JOBS Plus Advisory Board, the Department of Human Services shall develop a job inventory of sufficient size to accommodate all of the participants who desire to work in the program. In consultation with the participant, the department shall try to match the profile of each participant with the needs of an employer when assigning a participant to work with the employer.

(c) Either the employer or the participant may terminate the assignment by contacting the appropriate Department of Human Services or Employment Department office. In such event, the Department of Human Services or Employment Department shall reassess the needs of the participant and assign the participant to another JOBS Plus Program placement or another **[JOBS] job opportunity and basic skills** program component and, at the employer's request, provide the employer with another participant.

(d)(A) Subject to ORS 657.925 (6)(d), if after four months in a placement, a participant has not been hired for an unsubsidized position, the employer shall allow the worker to undertake eight hours of job search per week. Participating employers shall consider such time as hours worked for the purposes of paying wages.

(B) Subject to ORS 657.925 (6)(d), if after six months in a placement, a participant has not been hired for an unsubsidized position, the placement shall be terminated, and the caseworker shall reassess the participant's employment development plan.

(e) The Department of Human Services may pay placement and barrier removal payments to temporary assistance for needy families and food stamp program participants as necessary to enable participation in the JOBS Plus Program.

(f) The Department of Human Services shall accept eligible volunteers into the program prior to mandating program participation by eligible persons.

(5)(a) Assignment of participants to available jobs shall be based on a preference schedule developed by the Department of Human Services and the Employment Department. Any temporary assistance for needy families recipient or food stamp recipient may volunteer for the program.

(b) The following individuals may not be required to participate in the program:

(A) Temporary assistance for needy families and food stamp recipients who are eligible for Supplemental Security Income benefits or other ongoing state or federal maintenance benefits based on age or disability.

(B) Food stamp applicants or recipients who are employed full-time or are college students eligible for food stamps and enrolled full-time in a community college or an institution of higher education, or enrolled half-time in a community college or an institution of higher education and working at least 20 hours per week.

(C) Teenage parents who remain in high school if progressing toward a diploma. Teenage parents not in school are eligible for the JOBS Plus Program.

(c) The Department of Human Services shall provide life skills classes and opportunities to achieve General Educational Development (GED) certificates to appropriate participants in conjunction with working in the JOBS Plus Program.

(d) Temporary assistance for needy families and food stamp benefits shall be suspended at the end of the calendar month in which an employer makes the first wage payment to a participant who is a custodial parent in a family that receives temporary assistance for needy families or to any adult member of a household receiving food stamp benefits. Failure of the participant to cooperate with the requirements of the JOBS Plus Program may result in the participant's removal, in accordance with rules adopted by the Department of Human Services, from the JOBS Plus Program and suspension of the participant's temporary assistance for needy families grant and food stamp benefits. A temporary assistance for needy families and food stamp benefits recipient who has been removed from the program for failing to cooperate shall be eligible to reapply to participate in the program and shall have eligibility for program services determined without regard to the length of time the person was not participating following removal.

(6)(a) Employers shall pay all participating individuals at least the hourly rate of the Oregon minimum wage.

(b) Sick leave, holiday and vacation absences shall conform to the individual employer's rules for temporary employees.

(c) Group health insurance benefits shall be provided by the employer to program participants if, and to the extent that, state or federal law requires the employer to provide such benefits.

(d) All persons participating in the JOBS Plus Program shall be considered to be temporary employees of the individual employer providing the work and shall be entitled only to benefits required by state or federal law.

(e) Employers shall provide workers' compensation coverage for each JOBS Plus Program participant.

(7) In the event that the net monthly full-time wage paid to a participant would be less than the level of income from the temporary assistance for needy families program and the food stamp benefit amount equivalent that the participant would otherwise receive, the Department of Human Services shall determine and pay a supplemental payment as necessary to provide the participant with that level of net income. The department shall determine and pay in advance supplemental payments to participants on a monthly basis as necessary to ensure equivalent net program wages. Participants shall be compensated only for time worked.

(8) In addition to and not in lieu of the payments provided for under subsections (6) and (7) of this section, participants shall be entitled to retain the full child support payments collected by the Department of Justice.

(9) Program participants who are eligible for federally and state funded medical assistance at the time they enter the program shall remain eligible as long as they continue to participate in the program. In conformity with existing state day care program regulations, child day care shall be provided for all program participants who require it.

(10) JOBS Plus Program employers shall:

(a) Endeavor to make JOBS Plus Program placements positive learning and training experiences;

(b) Maintain health, safety and working conditions at or above levels generally acceptable in the industry and no less than that of comparable jobs of the employer;

(c) Provide on-the-job training to the degree necessary for the participants to perform their duties;

(d) Recruit volunteer mentors from among their regular employees to assist the participants in becoming oriented to work and the workplace; and

(e) Sign an agreement to abide by all requirements of the program, including the requirement that the program not supplant existing jobs. All agreements shall include provisions noting the employer's responsibility to repay reimbursements in the event the employer violates program rules. When a professional placement service, professional employment organization or temporary employment agency is acting as an employer pursuant to subsection (14) of this section, agreements under

this paragraph shall require a three-party agreement between the professional placement service, professional employment organization or temporary employment agency, the organization where the participant has been placed to perform services and the State of Oregon. The three-party agreement shall include provisions requiring that all JOBS Plus reimbursements received by the professional placement service, professional employment organization or temporary employment agency be credited to the organization where the participant has been placed to perform services.

(11) Program participant wages shall be subject to federal and state income taxes, Social Security taxes and unemployment insurance tax or reimbursement as applicable under ORS chapter 657, which shall be withheld and paid in accordance with state and federal law. Supplemental payments made pursuant to subsection (7) of this section shall not be subject to state income taxes under ORS chapter 316 and, to the extent allowed by federal law, shall not be subject to federal income taxes and Social Security taxes.

(12)(a)(A) The Department of Human Services shall reimburse employers for the employers' share of Social Security, unemployment insurance and workers' compensation premiums paid on behalf of program participants, other than those who are unemployment insurance claimants, referred to the employer by the Department of Human Services, as well as the minimum wage earnings paid by the employer to program participants referred to the employer by the Department of Human Services.

(B) The Employment Department shall reimburse employers \$5 per hour paid by the employer as earnings to JOBS Plus Program participants, who are unemployment insurance claimants and are referred to the employer by the Employment Department.

(b) If the Department of Human Services or Employment Department finds that an employer has violated any of the rules of the JOBS Plus Program, the appropriate department:

(A) Shall withhold any amounts due to employers under paragraph (a) of this subsection.

(B) May seek repayment of any amounts paid to employers under paragraph (a) of this subsection.

(13) Subject to ORS 657.925 (6)(d), for unemployment insurance claimants participating in the JOBS Plus Program:

(a) If after nine weeks in a placement, a participant has not been hired for an unsubsidized position, the employer shall allow the worker to undertake up to five hours of job search per week. Participating employers shall consider this time as hours worked for the purposes of paying wages.

(b) If after 13 weeks in a placement, a participant has not been hired for an unsubsidized position, the employer shall terminate the placement and the Employment Department shall assess the participant's employment development plan.

(14) For purposes of this section, "employer" shall include professional placement services, professional employment organizations and temporary employment agencies.

SECTION 18. ORS 414.025 is amended to read:

414.025. As used in this chapter, unless the context or a specially applicable statutory definition requires otherwise:

(1) "Category of aid" means assistance provided by the Oregon Supplemental Income Program, [*temporary assistance for needy families*] **aid** granted under ORS 418.035 to 418.125 or federal Supplemental Security Income payments.

(2) "Categorically needy" means, insofar as funds are available for the category, a person who is a resident of this state and who:

(a) Is receiving a category of aid.

(b) Would be eligible for, but is not receiving a category of aid.

(c) Is in a medical facility and, if the person left such facility, would be eligible for a category of aid.

(d) Is under the age of 21 years and would be a dependent child [*under the program for temporary assistance for needy families*] **as defined in ORS 418.035** except for age and regular attendance in school or in a course of professional or technical training.

(e)(A) *[Is a caretaker relative named in ORS 418.035 (2)(a)(C) who cares for a dependent child who would be a dependent child under the program for temporary assistance for needy families]* **Is a caretaker relative, as defined in ORS 418.035, who cares for a child who would be a dependent child** except for age and regular attendance in school or in a course of professional or technical training; or

(B) Is the spouse of *[such]* **the** caretaker relative *[and fulfills the requirements of ORS 418.035 (1)]*.

(f) Is under the age of 21 years, is in a foster family home or licensed child-caring agency or institution under a purchase of care agreement and is one for whom a public agency of this state is assuming financial responsibility, in whole or in part.

(g) Is a spouse of an individual receiving a category of aid and who is living with the recipient of a category of aid, whose needs and income are taken into account in determining the cash needs of the recipient of a category of aid, and who is determined by the Department of Human Services to be essential to the well-being of the recipient of a category of aid.

(h) Is a caretaker relative *[named]* **as defined** in ORS 418.035 *[(2)(a)(C)]* who cares for a dependent child receiving *[temporary assistance for needy families]* **aid granted under ORS 418.035 to 418.125** or is the spouse of *[such]* **the** caretaker relative *[and fulfills the requirements of ORS 418.035 (1)]*.

(i) Is under the age of 21 years, is in a youth care center and is one for whom a public agency of this state is assuming financial responsibility, in whole or in part.

(j) Is under the age of 21 years and is in an intermediate care facility which includes institutions for the mentally retarded; or is under the age of 22 years and is in a psychiatric hospital.

(k) Is under the age of 21 years and is in an independent living situation with all or part of the maintenance cost paid by the Department of Human Services.

(L) Is a member of a family that received *[temporary assistance for needy families in at least three of the six months immediately preceding the month in which such family became ineligible for such assistance because of]* **aid under ORS 418.040 or under section 8 of this 2007 Act in at least three of the six months immediately preceding the month in which the family became ineligible for aid due to** increased hours of or increased income from employment. As long as the member of the family is employed, such families will continue to be eligible for medical assistance for a period of at least six calendar months beginning with the month in which such family became ineligible for assistance *[because of]* **due to** increased hours of employment or increased earnings.

(m) Is an adopted person under 21 years of age for whom a public agency is assuming financial responsibility in whole or in part.

(n) Is an individual or is a member of a group who is required by federal law to be included in the state's medical assistance program in order for that program to qualify for federal funds.

(o) Is an individual or member of a group who, subject to the rules of the department and within available funds, may optionally be included in the state's medical assistance program under federal law and regulations concerning the availability of federal funds for the expenses of that individual or group.

(p) Is a pregnant woman who would be eligible for *[temporary assistance for needy families including such aid based on the unemployment of a parent]* **aid granted under ORS 418.035 to 418.125**, whether or not the woman is eligible for cash assistance.

[(q) Would be eligible for temporary assistance for needy families pursuant to 42 U.S.C. 607 based upon the unemployment of a parent, whether or not the state provides cash assistance.]

[(r)] **(q)** Except as otherwise provided in this section and to the extent of available funds, is a pregnant woman or child for whom federal financial participation is available under Title XIX of the federal Social Security Act.

[(s)] **(r)** Is not otherwise categorically needy and is not eligible for care under Title XVIII of the federal Social Security Act or is not a full-time student in a post-secondary education program as defined by the Department of Human Services by rule, but whose family income is less than the

federal poverty level and whose family investments and savings equal less than the investments and savings limit established by the department by rule.

(3) "Income" has the meaning given that term in ORS 411.704.

(4) "Investments and savings" means cash, securities as defined in ORS 59.015, negotiable instruments as defined in ORS 73.0104 and such similar investments or savings as the Department of Human Services may establish by rule that are available to the applicant or recipient to contribute toward meeting the needs of the applicant or recipient.

(5) "Medical assistance" means so much of the following medical and remedial care and services as may be prescribed by the Department of Human Services according to the standards established pursuant to ORS 414.065, including payments made for services provided under an insurance or other contractual arrangement and money paid directly to the recipient for the purchase of medical care:

- (a) Inpatient hospital services, other than services in an institution for mental diseases;
- (b) Outpatient hospital services;
- (c) Other laboratory and X-ray services;
- (d) Skilled nursing facility services, other than services in an institution for mental diseases;
- (e) Physicians' services, whether furnished in the office, the patient's home, a hospital, a skilled nursing facility or elsewhere;
- (f) Medical care, or any other type of remedial care recognized under state law, furnished by licensed practitioners within the scope of their practice as defined by state law;
- (g) Home health care services;
- (h) Private duty nursing services;
- (i) Clinic services;
- (j) Dental services;
- (k) Physical therapy and related services;
- (L) Prescribed drugs, including those dispensed and administered as provided under ORS chapter 689;
- (m) Dentures and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist, whichever the individual may select;
- (n) Other diagnostic, screening, preventive and rehabilitative services;
- (o) Inpatient hospital services, skilled nursing facility services and intermediate care facility services for individuals 65 years of age or over in an institution for mental diseases;
- (p) Any other medical care, and any other type of remedial care recognized under state law;
- (q) Periodic screening and diagnosis of individuals under the age of 21 years to ascertain their physical or mental impairments, and such health care, treatment and other measures to correct or ameliorate impairments and chronic conditions discovered thereby;
- (r) Inpatient hospital services for individuals under 22 years of age in an institution for mental diseases; and
- (s) Hospice services.

(6) "Medical assistance" includes any care or services for any individual who is a patient in a medical institution or any care or services for any individual who has attained 65 years of age or is under 22 years of age, and who is a patient in a private or public institution for mental diseases. "Medical assistance" includes "health services" as defined in ORS 414.705. "Medical assistance" does not include care or services for an inmate in a nonmedical public institution.

(7) "Medically needy" means a person who is a resident of this state and who is considered eligible under federal law for medically needy assistance.

(8) "Resources" has the meaning given that term in ORS 411.704. For eligibility purposes, "resources" does not include charitable contributions raised by a community to assist with medical expenses.

SECTION 18a. ORS 414.025, as amended by section 18 of this 2007 Act, is amended to read:

414.025. As used in this chapter, unless the context or a specially applicable statutory definition requires otherwise:

(1) "Category of aid" means assistance provided by the Oregon Supplemental Income Program, aid granted under ORS 418.035 to 418.125 or federal Supplemental Security Income payments.

(2) "Categorically needy" means, insofar as funds are available for the category, a person who is a resident of this state and who:

(a) Is receiving a category of aid.

(b) Would be eligible for, but is not receiving a category of aid.

(c) Is in a medical facility and, if the person left such facility, would be eligible for a category of aid.

(d) Is under the age of 21 years and would be a dependent child as defined in ORS 418.035 except for age and regular attendance in school or in a course of professional or technical training.

(e)(A) Is a caretaker relative, as defined in ORS 418.035, who cares for a child who would be a dependent child except for age and regular attendance in school or in a course of professional or technical training; or

(B) Is the spouse of the caretaker relative.

(f) Is under the age of 21 years, is in a foster family home or licensed child-caring agency or institution under a purchase of care agreement and is one for whom a public agency of this state is assuming financial responsibility, in whole or in part.

(g) Is a spouse of an individual receiving a category of aid and who is living with the recipient of a category of aid, whose needs and income are taken into account in determining the cash needs of the recipient of a category of aid, and who is determined by the Department of Human Services to be essential to the well-being of the recipient of a category of aid.

(h) Is a caretaker relative as defined in ORS 418.035 who cares for a dependent child receiving aid granted under ORS 418.035 to 418.125 or is the spouse of the caretaker relative.

(i) Is under the age of 21 years, is in a youth care center and is one for whom a public agency of this state is assuming financial responsibility, in whole or in part.

(j) Is under the age of 21 years and is in an intermediate care facility which includes institutions for the mentally retarded; or is under the age of 22 years and is in a psychiatric hospital.

(k) Is under the age of 21 years and is in an independent living situation with all or part of the maintenance cost paid by the Department of Human Services.

(L) Is a member of a family that received aid **in the preceding month** under ORS 418.040 or under section 8 of this 2007 Act [*in at least three of the six months immediately preceding the month in which the family*] **and** became ineligible for aid due to increased hours of or increased income from employment. As long as the member of the family is employed, such families will continue to be eligible for medical assistance for a period of at least six calendar months beginning with the month in which such family became ineligible for assistance due to increased hours of employment or increased earnings.

(m) Is an adopted person under 21 years of age for whom a public agency is assuming financial responsibility in whole or in part.

(n) Is an individual or is a member of a group who is required by federal law to be included in the state's medical assistance program in order for that program to qualify for federal funds.

(o) Is an individual or member of a group who, subject to the rules of the department and within available funds, may optionally be included in the state's medical assistance program under federal law and regulations concerning the availability of federal funds for the expenses of that individual or group.

(p) Is a pregnant woman who would be eligible for aid granted under ORS 418.035 to 418.125, whether or not the woman is eligible for cash assistance.

(q) Except as otherwise provided in this section and to the extent of available funds, is a pregnant woman or child for whom federal financial participation is available under Title XIX of the federal Social Security Act.

(r) Is not otherwise categorically needy and is not eligible for care under Title XVIII of the federal Social Security Act or is not a full-time student in a post-secondary education program as defined by the Department of Human Services by rule, but whose family income is less than the

federal poverty level and whose family investments and savings equal less than the investments and savings limit established by the department by rule.

(3) "Income" has the meaning given that term in ORS 411.704.

(4) "Investments and savings" means cash, securities as defined in ORS 59.015, negotiable instruments as defined in ORS 73.0104 and such similar investments or savings as the Department of Human Services may establish by rule that are available to the applicant or recipient to contribute toward meeting the needs of the applicant or recipient.

(5) "Medical assistance" means so much of the following medical and remedial care and services as may be prescribed by the Department of Human Services according to the standards established pursuant to ORS 414.065, including payments made for services provided under an insurance or other contractual arrangement and money paid directly to the recipient for the purchase of medical care:

- (a) Inpatient hospital services, other than services in an institution for mental diseases;
- (b) Outpatient hospital services;
- (c) Other laboratory and X-ray services;
- (d) Skilled nursing facility services, other than services in an institution for mental diseases;
- (e) Physicians' services, whether furnished in the office, the patient's home, a hospital, a skilled nursing facility or elsewhere;
- (f) Medical care, or any other type of remedial care recognized under state law, furnished by licensed practitioners within the scope of their practice as defined by state law;
- (g) Home health care services;
- (h) Private duty nursing services;
- (i) Clinic services;
- (j) Dental services;
- (k) Physical therapy and related services;
- (L) Prescribed drugs, including those dispensed and administered as provided under ORS chapter 689;
- (m) Dentures and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist, whichever the individual may select;
- (n) Other diagnostic, screening, preventive and rehabilitative services;
- (o) Inpatient hospital services, skilled nursing facility services and intermediate care facility services for individuals 65 years of age or over in an institution for mental diseases;
- (p) Any other medical care, and any other type of remedial care recognized under state law;
- (q) Periodic screening and diagnosis of individuals under the age of 21 years to ascertain their physical or mental impairments, and such health care, treatment and other measures to correct or ameliorate impairments and chronic conditions discovered thereby;
- (r) Inpatient hospital services for individuals under 22 years of age in an institution for mental diseases; and
- (s) Hospice services.

(6) "Medical assistance" includes any care or services for any individual who is a patient in a medical institution or any care or services for any individual who has attained 65 years of age or is under 22 years of age, and who is a patient in a private or public institution for mental diseases. "Medical assistance" includes "health services" as defined in ORS 414.705. "Medical assistance" does not include care or services for an inmate in a nonmedical public institution.

(7) "Medically needy" means a person who is a resident of this state and who is considered eligible under federal law for medically needy assistance.

(8) "Resources" has the meaning given that term in ORS 411.704. For eligibility purposes, "resources" does not include charitable contributions raised by a community to assist with medical expenses.

SECTION 19. ORS 418.160 is amended to read:

418.160. The Department of Human Services shall have the responsibility and authority to provide such services as are necessary to maintain the intent of and compliance with federal requirements for the [programs defined] **program described** in ORS 418.155.

SECTION 20. ORS 418.163 is amended to read:

418.163. The Department of Human Services shall have the responsibility and authority to provide such services and engage in such cooperative and coordinated efforts with the Employment Department and other appropriate agencies as are necessary to maintain the intent of and compliance with federal requirements for the [programs defined] **program described** in ORS 418.155.

SECTION 21. ORS 414.042 is amended to read:

414.042. (1) The need for and the amount of medical assistance to be made available for each eligible group of recipients of medical assistance shall be determined, in accordance with the rules of the Department of Human Services, taking into account:

(a) The requirements and needs of the person, the spouse and other dependents;

(b) The income, resources and maintenance available to the person but, except as provided in ORS 414.025 [(2)(s)] **(2)(r)**, resources shall be disregarded for those eligible by reason of having income below the federal poverty level and who are eligible for medical assistance only because of the enactment of chapter 836, Oregon Laws 1989;

(c) The responsibility of the spouse and, with respect to a person who is blind or is permanently and totally disabled or is under 21 years of age, the responsibility of the parents; and

(d) The report of the Health Services Commission as funded by the Legislative Assembly and such other programs as the Legislative Assembly may authorize. However, medical assistance, including health services, shall not be provided to persons described in ORS 414.025 [(2)(s)] **(2)(r)** unless the Legislative Assembly specifically appropriates funds to provide such assistance.

(2) Such amounts of income and resources may be disregarded as the department may prescribe by rules, except that the department may not require any needy person over 65 years of age, as a condition of entering or remaining in a hospital, nursing home or other congregate care facility, to sell any real property normally used as such person's home. Any rule of the department inconsistent with this section is to that extent invalid. The amounts to be disregarded shall be within the limits required or permitted by federal law, rules or orders applicable thereto.

(3) In the determination of the amount of medical assistance available to a medically needy person, all income and resources available to the person in excess of the amounts prescribed in ORS 414.038, within limits prescribed by the department, shall be applied first to costs of needed medical and remedial care and services not available under the medical assistance program and then to the costs of benefits under the medical assistance program.

SECTION 22. ORS 414.428 is amended to read:

414.428. (1) An individual described in ORS 414.025 [(2)(s)] **(2)(r)** who is eligible for or receiving medical assistance and who is an American Indian and Alaskan Native beneficiary shall receive the benefit package of health care services described in ORS 414.835 if:

(a) The Department of Human Services receives 100 percent federal medical assistance percentage for payments made by the department for the health care services provided as part of the benefit package described in ORS 414.835 that are not included in the benefit package described in ORS 414.834; or

(b) The department receives funding from the Indian tribes for which federal financial participation is available.

(2) As used in this section, "American Indian and Alaskan Native beneficiary" means:

(a) A member of a federally recognized Indian tribe, band or group;

(b) An Eskimo or Aleut or other Alaskan native enrolled by the United States Secretary of the Interior pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. 1601; or

(c) A person who is considered by the United States Secretary of the Interior to be an Indian for any purpose.

SECTION 23. ORS 418.095 and 418.185 are repealed.

SECTION 24. Section 4, chapter 212, Oregon Laws 2003, is repealed.

SECTION 25. The amendments to ORS 25.020, 414.025, 418.045 and 418.134 by sections 3a, 5b, 10 and 18a of this 2007 Act and the repeal of section 4, chapter 212, Oregon Laws 2003, by section 24 of this 2007 Act become operative on October 1, 2008.

SECTION 26. This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect October 1, 2007.

Passed by House June 25, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate June 26, 2007

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President of Senate

Received by Governor:

.....M.,....., 2007

Approved:

.....M.,....., 2007

.....
Governor

Filed in Office of Secretary of State:

.....M.,....., 2007

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Secretary of State