

Enrolled House Bill 3535

Sponsored by Representatives PILUSO, STARK, Senator MONNES ANDERSON; Representatives BARKER, DOHERTY, HACK, HELM, KENY-GUYER, MCKEOWN, MCLAIN, OLSON, PARRISH, REARDON, TAYLOR, Senators BATES, DEMBROW, GELSER, MONROE, PROZANSKI, RILEY, ROBLAN, ROSENBAUM, SHIELDS, STEINER HAYWARD

CHAPTER

AN ACT

Relating to public assistance; creating new provisions; amending ORS 411.075, 411.175, 411.635, 411.892, 412.001, 412.006, 412.009, 412.024, 412.029, 412.039, 412.049, 412.054, 412.064, 412.079, 412.089, 412.124, 412.161, 412.991 and 414.025 and sections 1, 7 and 8, chapter 604, Oregon Laws 2011; repealing ORS 411.077, 411.078, 412.076, 412.099, 412.104 and 412.114 and section 26, chapter 722, Oregon Laws 2013; and declaring an emergency.

Whereas the Personal Responsibility and Work Opportunity Act became law in 1996; and
Whereas that Act created the Temporary Assistance For Needy Families (TANF) program; and
Whereas the Oregon Legislative Assembly enacted House Bill 2469 during the 2007 regular session, which made substantial improvements to Oregon’s TANF program; and

Whereas recessions subsequent to 2007 resulted in significant reductions to Oregon’s TANF program; and

Whereas with the improving economy, the Governor’s Recommended Budget and the budget framework of the co-chairs of the Joint Committee on Ways and Means for the biennium beginning July 1, 2015, propose to reinvest the savings from caseload reductions back into the TANF program in order to produce better results for TANF families; and

Whereas the Seventy-eighth Legislative Assembly hereby expresses its commitment to reinvest in the TANF program; and

Whereas it is recommended that further improvements to the TANF program be considered in subsequent sessions, including improvements to child care assistance and education and training programs, providing flexible emergency assistance, increasing the amount of aid paid in the TANF program, adjusting the requirements for entry to and exit from the TANF program, providing additional domestic violence related services and other improvements to provide better opportunities for families to successfully transition out of the TANF program; now, therefore,

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

SECTION 1. (1) The Legislative Assembly finds that:

(a) The temporary assistance for needy families program is the state’s primary safety net for families with children who live in extreme poverty; and

(b) Outcomes for disadvantaged parenting youth improve when the parenting youth have opportunities to connect to employment, training and education programs.

(2) In order to provide a path out of poverty for families, adults and parenting youth and to maximize the services available to assist families, adults and parenting youth in moving

out of poverty, the Department of Human Services shall work with other agencies and organizations to provide:

- (a) Cash aid to families;
- (b) Strength-based case management;
- (c) Work and work preparation services;
- (d) Family stability resources and support; and
- (e) Youth employment, training and education programs.

SECTION 2. The Department of Human Services may provide support service payments for transportation, housing or other costs as necessary to prevent the loss of employment that will result in the family qualifying for temporary assistance for needy families program aid under ORS 412.006.

SECTION 3. (1) Notwithstanding ORS 411.877 to 411.896, beginning on July 1, 2016, the Department of Human Services, in coordination with workforce agencies and stakeholders, may operate a 12-month program to pilot alternative ways to operate the JOBS Plus program established in ORS 411.878 for the purpose of increasing employment outcomes of participants in the JOBS Plus program, including youth.

(2) The department shall include in its annual report under ORS 411.896 the status of a program described in subsection (1) of this section and the department's findings and recommendations based on the program.

SECTION 4. (1) The eligibility for and amount of aid to be granted for any dependent child or relative pursuant to ORS 412.006 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 with respect to the support of the natural or adopted children of the parent.

(3) In determining the eligibility 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.

SECTION 5. Notwithstanding any other provision of law, ORS 418.647 shall not be considered to have been added to or made a part of ORS 412.001 to 412.069 for the purpose of statutory compilation or for the application of definitions, penalties or administrative provisions applicable to statute sections in that series.

SECTION 6. ORS 412.124 is amended to read:

412.124. [(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 412.006 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 412.006 based upon information available to the department. If the department does not have sufficient information available to determine eligibility for aid under ORS 412.006, 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.]

(1) The Department of Human Services shall provide aid for up to three consecutive months to a family if:

(a) The family is residing in this state;

(b) The family becomes ineligible for aid under the temporary assistance for needy families program due to employment or increased hours of work; and

(c) The caretaker relative is employed.

(2) The department shall adopt by rule standards for the aid provided under this section.

SECTION 7. ORS 412.124, as amended by section 6 of this 2015 Act, is amended to read:

412.124. [(1) The Department of Human Services shall provide aid for up to three consecutive months to a family if:]

[(a) The family is residing in this state;]

[(b) The family becomes ineligible for aid under the temporary assistance for needy families program due to employment or increased hours of work; and]

[(c) The caretaker relative is employed.]

[(2) The department shall adopt by rule standards for the aid provided under this section.]

(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 412.006 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 412.006 based upon information available to the department. If the department does not have sufficient information available to determine eligibility for aid under ORS 412.006, 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 8. ORS 411.075 is amended to read:

411.075. (1) There is established the Family Services Review Commission consisting of **no more than** 16 members. The members shall be appointed by the Governor for a term of four years. In making the appointments, the Governor shall consider *[representatives of county public welfare boards, as well as representatives from all of the congressional districts. Four members shall be recipients or former recipients of cash or self-sufficiency-related services from the Department of Human Services. Four members shall be representatives of business and professional interests. Four members shall be public welfare policy specialists. Four members shall be advocates of public welfare from the*

state agencies or public or private organizations interested in public welfare. The commission shall receive compensation and expenses as provided in ORS 292.495] **individuals who are or have participated in programs administered by the Department of Human Services and individuals who represent diverse geographic areas, cultural and ethnic perspectives and professional experiences. The Governor may appoint members who are employees of the department but such members may not compose more than 25 percent of the membership of the commission or hold a leadership position in the commission.**

(2) Members of the commission who are not public employees shall receive compensation and expenses as provided in ORS 292.495.

[~~(2)~~ **(3)** The commission shall advise and consult with the Director of Human Services [in carrying out the functions of the department relating to programs and services to persons who, as a result of the person's or the person's family's economic, social or health condition, require medical assistance, financial assistance, institutional care, rehabilitation, vocational rehabilitation or other social or health services.] **on all matters affecting the quality of the experience of and the equitable attainment of successful outcomes for families and individuals seeking stability and self-sufficiency through participation in the department's programs.**

(4) The commission shall, through its chairperson, have access to information [regarding persons receiving assistance and other relevant information about self-sufficiency programs of the department] **that is reasonably necessary to carry out the commission's advisory and consultative functions.**

SECTION 9. 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 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 may waive the limit in special circumstances.

(c) The Department of Human Services 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 shall ensure that jobs made available to program participants:

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

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

(c) 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 Supplemental Nutrition Assistance Program recipients except as described in subsection (5)(b) of this section; and

(C) 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 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 Supplemental Nutrition Assistance Program applicants or recipients or noncustodial parents of individuals receiving temporary assistance for needy families.

(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 office. In such event, the Department of Human Services shall reassess the needs of the participant and assign the participant to another JOBS Plus Program placement or another job opportunity and basic skills program component and, at the employer's request, provide the employer with another participant.

(d)(A) 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) 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 program and Supplemental Nutrition Assistance 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. Any temporary assistance for needy families recipient or supplemental nutrition assistance recipient may volunteer for the program.

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

(A) Recipients under the temporary assistance for needy families program and the Supplemental Nutrition Assistance Program who are eligible for Supplemental Security Income benefits or other ongoing state or federal maintenance benefits based on age or disability.

(B) Supplemental nutrition assistance applicants or recipients who are employed full-time or are college students eligible for supplemental nutrition assistance 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) Subject to subsection (7) of this section, temporary assistance for needy families and supplemental nutrition assistance 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 supplemental nutrition assistance. 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 supplemental nutrition assistance. A temporary assistance for needy families and supplemental nutrition assistance 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 supplemental nutrition assistance 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 (13) 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) 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 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) If the Department of Human Services finds that an employer has violated any of the rules of the JOBS Plus Program, the 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) For purposes of this section, "employer" shall include professional placement services, professional employment organizations and temporary employment agencies.

SECTION 10. ORS 412.001 is amended to read:

412.001. As used in ORS 412.001 to 412.155 and 418.647, 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 **caretaker** relative with whom the child is living and the spouse of the **caretaker** relative if the spouse lives with the **caretaker** 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) Payments made to a representative payee or guardian pursuant to ORS 412.026 or 412.028.

(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*] **parent or other relative by blood, marriage or adoption, as defined by the Department of Human Services by rule**, who lives in a residence maintained by one or more of the relatives as the child's or the relative's own home.

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

[*(C)*] (B) Who lives with a caretaker relative; and

[*(D)*] (C) 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.

(5) "Representative payee" means an individual designated by the department to receive money payments of aid pursuant to ORS 412.026.

SECTION 11. ORS 412.006 is amended to read:

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

(2) Except as provided in subsections **(6) and (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)] (5)* 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 employment 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]* **may** 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)] (5) 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)] (6) A needy caretaker relative receiving aid under ORS 412.001 to 412.069 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; **or**

(f) If the department determines that a needy caretaker relative is exempt according to criteria adopted by rule.

[(8)] (7) The department shall adopt rules to carry out the provisions of this section.

SECTION 12. ORS 412.009 is amended to read:

412.009. *[(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 412.006 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.]

(1) The Legislative Assembly finds that:

(a) There is evidence that families who experience the most disqualifications from the job opportunity and basic skills program are often those with the most barriers to employment; and

(b) The loss of income from a program disqualification adds strain and creates instability in families already experiencing extreme poverty, and this affects the health and food security of the dependent children in the family.

[(4)] **(2) The Department of Human Services 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 412.006 and an ongoing process to ensure that the case plan is appropriate.**

[(5)(a)] **(3)(a) The department shall facilitate the participation of needy caretaker relatives and 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 [(4)] (2) of this section until the department determines that the [noncompliant] needy caretaker relative that is not fully engaged:**

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

[(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) Refuses without good cause, as defined by the department by rule, to meet the requirements of an individualized and appropriate case plan.

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

(A) Receiving aid pursuant to ORS 412.014 or 412.124;

(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.

[(6)] **(4) Following notice and an opportunity for a hearing under ORS chapter 183 and subject to subsection [(5)] (2) of this section, the department may reduce the aid payment to the family of an individual who [fails] refuses to participate in suitable activities required by the individual's case plan or may terminate the aid payment to the family of a noncompliant individual in accordance with procedures adopted by the department by rule. [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) Any reduction in aid under paragraph (a) of this subsection may continue until the noncompliant individual participates in suitable activities required by the case plan for two consecutive weeks.]

[(c) After three months of noncompliance, and subject to subsection (5)(c) of this section, the department may terminate the aid payment to the family. The family is ineligible for aid for two calendar months after a termination under this paragraph, unless within one month of the effective date of the termination the noncompliant individual participates in suitable activities required by the case plan for two consecutive weeks.]

*[(d)] (5) A caretaker relative may request a hearing to contest the basis for a reduction in or termination of an aid payment **under this section** within 90 days of a reduction in or termination of aid.*

[(7)] (6) Every six months, the department shall report to the Family Services Review Commission established under ORS 411.075 the status of and outcomes for families for whom aid has been reduced or terminated under subsection [(6)] (4) of this section. The department shall work with the commission to establish the details to be provided in the report.

SECTION 13. ORS 412.024 is amended to read:

412.024. (1) An applicant or recipient of aid, except for recipients of aid under the JOBS Plus Program established in ORS 411.878, must assign to the state any rights to support that may be due from any other person to a family member for whom the applicant is applying for or receiving aid. 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 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 noncooperation 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[.]

*[(a) One-parent families receiving aid under ORS 412.001 to 412.069, 412.124 and 418.647] **recipients of aid pursuant to the temporary assistance for needy families program** as long as the aid is funded in whole or in part with federal grants under Title IV-A of the Social Security Act[; and]*

[(b) Two-parent families receiving aid under ORS 412.001 to 412.069 and one-parent families receiving aid under ORS 412.014, regardless of the funding source for the aid].

SECTION 14. ORS 412.029 is amended to read:

412.029. Each money payment of aid made to a representative payee or to a guardian or a conservator under ORS 412.026 or 412.028 shall be expended by the representative payee, guardian or conservator solely to *[purchase]* **make purchases to meet** the needs of the individuals with respect to whom the payment is made. However, *[from the money payments]* the individuals may receive from the representative payee, guardian or conservator such *[sums of money]* **portions of the money payments** and at such intervals as may be permitted by *[rule or regulation of]* **rules adopted** by the Department of Human Services.

SECTION 15. ORS 412.039 is amended to read:

412.039. (1) **The Legislative Assembly declares that it is in the public interest of the State of Oregon that all available workforce services, including those authorized under other provisions of law, be utilized to provide incentives, opportunities and necessary services to appropriate individuals in order that they may be employed in the regular economy, may be trained for regular employment and may participate in special work projects.**

(2) During any period in which aid may be granted under ORS 412.006 with respect to, or on behalf of, a dependent child living with an unemployed [*parent*] **caretaker relative**, the Department of Human Services and the Director of the Employment Department shall enter into cooperative arrangements looking toward employment of **or training services for** the unemployed [*parent of any such child*] **caretaker relative**[,] and shall provide for the registration and periodic reregistration of such [*parent*] **caretaker relative** at employment offices established pursuant to ORS 657.705 to 657.725 [*and shall, with respect to such parent,*] to effect maximum utilization of the job placement services and other services and facilities of such offices.

SECTION 16. ORS 412.049 is amended to read:

412.049. The Department of Human Services shall:

(1) Supervise the administration of the temporary assistance for needy families program under ORS 412.001 to 412.155 [*and 418.647*].

(2) Make such rules and regulations and take such action as may be necessary or desirable for carrying out ORS 412.001 to 412.155 [*and 418.647*].

(3) Prescribe the form of and print and supply such forms as it deems necessary and advisable.

(4) Cooperate with the federal government in matters of mutual concern pertaining to temporary assistance for needy families, including the adoption of such methods of administration as are found by the federal government to be necessary for the efficient operation of the plan for such aid.

(5) Accept and disburse any and all federal funds made available to the State of Oregon for temporary assistance for needy families purposes.

SECTION 17. ORS 412.054 is amended to read:

412.054. Application for aid under ORS 412.001 to 412.069 [*and 418.647*] shall be made to the Department of Human Services by the relative with whom the child lives. The application shall be in the manner and upon the form prescribed by the department.

SECTION 18. ORS 412.064 is amended to read:

412.064. The Department of Human Services shall decide whether the child is eligible for aid under ORS 412.001 to 412.069 [*and 418.647*] and determine the date on which the aid granted shall begin.

SECTION 19. ORS 412.079 is amended to read:

412.079. (1) Except as provided in subsections (2) and (3) of this section, a needy caretaker relative may not receive aid under ORS 412.006 if the needy caretaker relative has received aid under the temporary assistance for needy families program in this state or any other state for more than a total of 60 months.

(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 for needy families under ORS 412.001 to 412.069, 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; **or**

(d) Receives aid under ORS 411.878, 412.014 or 412.124.[:]

[*(e) Is enrolled at an educational institution under ORS 412.016;*]

[*(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 or terminated from receiving 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.]

(3) Notwithstanding subsection (1) of this section, a needy caretaker relative may receive aid for more than 60 months if the needy caretaker relative:

(a) Is enrolled at an educational institution under ORS 412.016;

(b) 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

(c) Is unable to obtain or maintain employment that provides earnings in excess of income limits established by the department under section 4 of this 2015 Act 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;

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

(H) Qualifies as having a hardship as defined by the department by rule.

(4)(a) The Department of Human Services shall monitor the average period of time a family receives aid and shall record such information by family *[size]* **demographics**. 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 families 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 odd-numbered year regular session.

SECTION 20. ORS 412.089 is amended to read:

412.089. (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 412.009 [(5) and (6)] **(3) and (4)**.

(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*] **domestic violence** as may be necessary to implement the provisions of subsection (1) of this section.

SECTION 21. ORS 412.161 is amended to read:

412.161. The Legislative Assembly finds:

(1) That the provision of public assistance to children [*dependent by reasons of unemployment of parents*] **in very low income families** would help keep families together and reduce hardship in times of high unemployment;

(2) That the lack of public assistance to two-parent unemployed families does not produce significant financial savings for the State of Oregon since family break-up increases the number of single-parent families receiving public assistance;

(3) That children in two-parent unemployed families have needs as urgent as those of children in single-parent unemployed families;

(4) That the provision of public assistance to two-parent unemployed families [*would*] **may** provide access to medical care for these families, health being one of the prerequisites to seeking and maintaining employment;

(5) That because federal law [*now*] requires [*recent*] **active participation in** employment [*and active work search*] **and other alternatives** to be eligible for federal funds for public assistance [*to two-parent unemployed families*], the availability of federal funds helps those families who are trying hardest to help themselves be self-supporting; and

(6) That additional funds need to be made available in the temporary assistance for needy families program to effectuate this policy.

SECTION 22. Section 1, chapter 604, Oregon Laws 2011, as amended by section 82, chapter 107, Oregon Laws 2012, and section 23, chapter 722, Oregon Laws 2013, is amended to read:

Sec. 1. [*For the biennium beginning July 1, 2013, the Department of Human Services may,*] Notwithstanding ORS 411.070, 412.006, 412.009 and 412.016, **the Department of Human Services may:**

(1) Prescribe by rule an employability assessment and orientation process that the department shall use to determine the level of participation by individuals applying for or receiving aid pursuant to the temporary assistance for needy families program and required to participate in the job opportunity and basic skills program described in ORS 412.006. This process must occur prior to any assessment described in ORS 412.006 (3) that is conducted by the department.

(2) Require all families to participate in the employability assessment and orientation process as a condition for the family's receipt of aid.

(3) Limit in the job opportunity and basic skills program, for existing and future applicants and recipients of aid, based on the results of the employability assessment or other criteria:

(a) The number of participants;

(b) The activities; or

(c) The level of participation.

(4) Require an individual in a one-parent family to participate in the job opportunity and basic skills program while caring for a dependent child who is under two years of age.

(5) Not approve enrollment in and attendance at an educational institution as an allowable work activity for purposes of ORS 412.001 to 412.069, except for recipients who have a case plan in effect on June 30, 2011, that approves enrollment in and attendance at an educational institution as an allowable work activity under ORS 412.016.

(6) Deny or terminate aid to a family in which a caretaker relative is separated from employment without good cause, subject to exceptions prescribed by the department by rule. The family shall be ineligible to receive aid for a period of 120 days beginning on the date the caretaker relative is separated from employment without good cause.

(7) Establish an income eligibility limit equal to 185 percent of the federal poverty guidelines for aid to a dependent child residing with a caretaker relative who is not the child's parent.

SECTION 23. Section 7, chapter 604, Oregon Laws 2011, as amended by section 24, chapter 722, Oregon Laws 2013, is amended to read:

Sec. 7. (1) The amendments to ORS 412.009, 412.014 and 412.024 by sections 2, 3 and 5, chapter 604, Oregon Laws 2011, become operative on October 1, 2011.

(2) The amendments to ORS 412.014 by section 4, chapter 604, Oregon Laws 2011, become operative on July 1, [2015] **2017**.

SECTION 24. Section 8, chapter 604, Oregon Laws 2011, as amended by section 25, chapter 722, Oregon Laws 2013, is amended to read:

Sec. 8. Section 1, chapter 604, Oregon Laws 2011, is repealed on July 1, [2015] **2017**.

SECTION 25. ORS 414.025 is amended to read:

414.025. As used in this chapter and ORS chapters 411 and 413, unless the context or a specially applicable statutory definition requires otherwise:

(1)(a) “Alternative payment methodology” means a payment other than a fee-for-services payment, used by coordinated care organizations as compensation for the provision of integrated and coordinated health care and services.

(b) “Alternative payment methodology” includes, but is not limited to:

- (A) Shared savings arrangements;
- (B) Bundled payments; and
- (C) Payments based on episodes.

(2) “Category of aid” means assistance provided by the Oregon Supplemental Income Program, aid granted under ORS **411.877 to 411.896 and** 412.001 to 412.069 [and 418.647] or federal Supplemental Security Income payments.

(3) “Community health worker” means an individual who:

- (a) Has expertise or experience in public health;
- (b) Works in an urban or rural community, either for pay or as a volunteer in association with a local health care system;

(c) To the extent practicable, shares ethnicity, language, socioeconomic status and life experiences with the residents of the community where the worker serves;

(d) Assists members of the community to improve their health and increases the capacity of the community to meet the health care needs of its residents and achieve wellness;

(e) Provides health education and information that is culturally appropriate to the individuals being served;

(f) Assists community residents in receiving the care they need;

(g) May give peer counseling and guidance on health behaviors; and

(h) May provide direct services such as first aid or blood pressure screening.

(4) “Coordinated care organization” means an organization meeting criteria adopted by the Oregon Health Authority under ORS 414.625.

(5) “Dually eligible for Medicare and Medicaid” means, with respect to eligibility for enrollment in a coordinated care organization, that an individual is eligible for health services funded by Title XIX of the Social Security Act and is:

(a) Eligible for or enrolled in Part A of Title XVIII of the Social Security Act; or

(b) Enrolled in Part B of Title XVIII of the Social Security Act.

(6) “Global budget” means a total amount established prospectively by the Oregon Health Authority to be paid to a coordinated care organization for the delivery of, management of, access to and quality of the health care delivered to members of the coordinated care organization.

(7) “Health services” means at least so much of each of the following as are funded by the Legislative Assembly based upon the prioritized list of health services compiled by the Health Evidence Review Commission under ORS 414.690:

(a) Services required by federal law to be included in the state’s medical assistance program in order for the program to qualify for federal funds;

(b) Services provided by a physician as defined in ORS 677.010, a nurse practitioner certified under ORS 678.375 or other licensed practitioner within the scope of the practitioner's practice as defined by state law, and ambulance services;

(c) Prescription drugs;

(d) Laboratory and X-ray services;

(e) Medical equipment and supplies;

(f) Mental health services;

(g) Chemical dependency services;

(h) Emergency dental services;

(i) Nonemergency dental services;

(j) Provider services, other than services described in paragraphs (a) to (i), (k), (L) and (m) of this subsection, defined by federal law that may be included in the state's medical assistance program;

(k) Emergency hospital services;

(L) Outpatient hospital services; and

(m) Inpatient hospital services.

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

(9) "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 or the authority may establish by rule that are available to the applicant or recipient to contribute toward meeting the needs of the applicant or recipient.

(10) "Medical assistance" means so much of the medical, mental health, preventive, supportive, palliative and remedial care and services as may be prescribed by the authority according to the standards established pursuant to ORS 414.065, including premium assistance and payments made for services provided under an insurance or other contractual arrangement and money paid directly to the recipient for the purchase of health services and for services described in ORS 414.710.

(11) "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" does not include care or services for an inmate in a nonmedical public institution.

(12) "Patient centered primary care home" means a health care team or clinic that is organized in accordance with the standards established by the Oregon Health Authority under ORS 414.655 and that incorporates the following core attributes:

(a) Access to care;

(b) Accountability to consumers and to the community;

(c) Comprehensive whole person care;

(d) Continuity of care;

(e) Coordination and integration of care; and

(f) Person and family centered care.

(13) "Peer wellness specialist" means an individual who is responsible for assessing mental health service and support needs of the individual's peers through community outreach, assisting individuals with access to available services and resources, addressing barriers to services and providing education and information about available resources and mental health issues in order to reduce stigmas and discrimination toward consumers of mental health services and to provide direct services to assist individuals in creating and maintaining recovery, health and wellness.

(14) "Person centered care" means care that:

(a) Reflects the individual patient's strengths and preferences;

(b) Reflects the clinical needs of the patient as identified through an individualized assessment; and

(c) Is based upon the patient's goals and will assist the patient in achieving the goals.

(15) "Personal health navigator" means an individual who provides information, assistance, tools and support to enable a patient to make the best health care decisions in the patient's particular circumstances and in light of the patient's needs, lifestyle, combination of conditions and desired outcomes.

(16) "Quality measure" means the measures and benchmarks identified by the authority in accordance with ORS 414.638.

(17) "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 26. ORS 411.635 is amended to read:

411.635. (1)(a) Medical assistance improperly disbursed as a result of recipient conduct that is not in violation of ORS 411.630 may be recouped pursuant to ORS 293.250 by the Oregon Health Authority or the Department of Human Services.

(b) Public assistance improperly disbursed as a result of recipient conduct that is not in violation of ORS 411.630 may be recouped pursuant to ORS 293.250 by the department.

(2) The department and the authority may also recoup public assistance and medical assistance improperly disbursed from earnings that the state disregards pursuant to ORS 411.083 and [412.009] **section 4 of this 2015 Act** as follows:

(a) The department and the authority shall notify the recipient that the recipient may elect to limit the recoupment monthly to an amount equal to one-half the amount of disregarded earnings by granting the department or the authority a confession of judgment for the amount of the overpayment.

(b) If the recipient does not elect to grant the confession of judgment within 30 days the department or the authority may recoup the overpayment from the entire amount of disregarded earnings. The recipient may at any time thereafter elect to limit the monthly recoupment to one-half the disregarded earnings by entering into a confession of judgment.

(3) The department and the authority shall not execute on a confession of judgment until the recipient is no longer receiving public assistance or medical assistance and has either refused to agree to or has defaulted on a reasonable plan to satisfy the judgment.

(4) This section does not prohibit the department or the authority from adopting rules to exempt from recoupment any portion of disregarded earnings.

SECTION 26a. ORS 411.175 is amended to read:

411.175. (1) In addition to any other scholarships or grants provided by law and subject to the availability of funds in the Department of Human Services Scholarship Account, the Department of Human Services may award tuition and fee-exempting scholarships or grants and additional funds for purchase of required books and supplies from other funds, whether from public or private sources, made available for training of recipients toward self-support to those qualified to receive welfare assistance, for enrollment at any publicly supported educational, vocational or training institution in this state.

[2] *Selection of scholarship or grant recipients shall be made by county public welfare board created by ORS 411.077, with the advice and assistance of all publicly supported educational, vocational or training institutions.*

[3] (2) Scholarships or grants shall be awarded on the basis of the recipient's apparent ability and willingness to profit from the education or the vocational, technical, or other courses available, to the end that scholarships or grants awarded will benefit both the student and the people of this state.

[4] (3) In order to facilitate the most effective use of funds granted under this section, the Department of Human Services may apply funds available under this section to supportive services, including but not limited to transportation and child care, for scholarship or grant recipients whenever the availability of such services has been eliminated by the exhaustion of funds in the department's job related training program.

SECTION 26b. ORS 412.991 is amended to read:

412.991. A person who violates ORS 412.074 [or 412.099 (1)] commits a Class A misdemeanor.
SECTION 27. Sections 1, 2 and 5 of this 2015 Act and ORS 412.016 and 412.017 are added to and made a part of ORS chapter 412.

SECTION 28. (1) ORS 411.077, 411.078, 412.076, 412.099, 412.104 and 412.114 are repealed.

(2) Section 26, chapter 722, Oregon Laws 2013, is repealed.

(3) Section 3 of this 2015 Act is repealed on June 30, 2017.

SECTION 29. (1) Section 4 of this 2015 Act and the amendments to ORS 411.635, 412.001, 412.009, 412.079 and 412.124 by sections 6, 10, 12, 19 and 26 of this 2015 Act become operative on April 1, 2016.

(2) The amendments to ORS 412.124 by section 7 of this 2015 Act become operative on July 1, 2017.

SECTION 30. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

Passed by House July 1, 2015

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Tina Kotek, Speaker of House

Passed by Senate July 6, 2015

.....
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2015

Approved:

.....M.,....., 2015

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2015

.....
Jeanne P. Atkins, Secretary of State