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## **An Act To Enact a Five-point Welfare Reform Plan**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 22 MRSA §3788, sub-§10, ¶C**, as amended by PL 2005, c. 480, §1, is further amended to read:

C. Except for participants who are accepted into the Parents as Scholars Program established under section 3790, education, training and treatment is limited to a maximum of 24 months, starting with the first day of participation in any allowable and approved job skills or occupational skills training activity. The 24-month period may be extended by the commissioner or the designee of the commissioner for good cause shown.

ThePrior to January 1, 2008, the department may approve a job skills or occupational training activity longer than 24 months ~~provided~~as long as the participant agrees to perform a minimum of 20 hours a week of work site experience by no later than the end of the 24-month period. Qualifying work site experience may include, but is not limited to, paid employment, workforce-MaineServe, ASPIRE-Plus, work study, training-related practicums or any other such work site approved by the department. The 24-month period does not include periods of nonactivity in which good cause has been determined.

Beginning January 1, 2008, the department may approve a job skills or occupational training activity longer than 24 months as long as the participant agrees to perform by no later than the end of the 24-month period a minimum of 40 hours per week of work site experience or, if 40 hours of experience is not available, then as many hours over 20 and under 40 as are available to the participant. The number of hours or gross wages of participation, up to one and a half times the normal dollar amount of the benefits received, may not affect the benefits available to the participant. The hourly rate of pay may be used in determining the benefit amount for the participant.

For individuals who are satisfactorily participating in an education or training program prior to the work evaluation, the department must determine the acceptability of the activity for purposes of meeting the participation requirements of this chapter using the same criteria as is used for any individual in the ASPIRE-TANF program.

**Sec. 2. 22 MRSA §3788, sub-§15** is enacted to read:

**15. Limitation.** Benefits under the ASPIRE-TANF program for an adult are subject to a lifetime limitation of 60 months.

**Sec. 3. 22 MRSA §4301, sub-§3**, as enacted by PL 1983, c. 577, §1, is amended to read:

**3. Eligible person.** "Eligible person" means a person who shows evidence of having lived in a municipality for 90 days continuously prior to the date of application and who is qualified to receive general assistance from a municipality according to standards of eligibility determined by the municipal officers whether or not that person has applied for general assistance.

**Sec. 4. 22 MRSA §4307, sub-§2, ¶A,** as enacted by PL 1987, c. 349, Pt. H, §15, is amended to read:

A. A resident of the municipality. For the purposes of this section, a "resident" means a person who is physically present in a municipality with the intention of remaining in that municipality to maintain or establish for at least 90 days prior to the date of application and who maintains or establishes a home and who has no other residence; and.

**Sec. 5. 22 MRSA §4307, sub-§2, ¶B,** as enacted by PL 1987, c. 349, Pt. H, §15, is repealed.

**Sec. 6. 22 MRSA §4307, sub-§3,** as repealed and replaced by PL 1987, c. 349, Pt. H, §15, is repealed.

**Sec. 7. 36 MRSA §5219-BB** is enacted to read:

**§ 5219-BB. New Hire credit**

**1. Definitions.** As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Employing unit" has the same meaning as in Title 26, section 1043, subsection 10.

B. "Qualifying person" means a person who, immediately prior to employment with the employing unit, was a recipient of benefits under the ASPIRE-TANF program under Title 22, chapter 1053-B.

**2. Credit allowed.** Beginning with tax year 2008, a taxpayer who is an employing unit is allowed a credit for participation in the Step Up program described in subsection 3.

**3. New Hire program.** An employing unit participates in the New Hire program if that employing unit hires as an employee a qualifying person for at least 20 hours per week.

**4. Amount of credit.** An employing unit is allowed a tax credit under the New Hire program against the tax otherwise due under this Part in the amount of 50% of the gross wages paid to a qualifying person during the eligible period under subsection 5, paragraph B.

**5. Limitation.** The credit allowed under this section is subject to the following limitations.

A. The total combined credit for a taxpayer under this section may not exceed \$10,000 annually and may not reduce the tax otherwise due under this Part to less than zero. A taxpayer entitled to a credit under this section for any taxable year may carry over and apply to the tax liability for any one or more of the succeeding 2 years the portion, as reduced from year to year, of any unused credits.

B. The eligible period for a qualifying person under the New Hire program is 12 continuous months.

**Sec. 8. Rulemaking.** By January 1, 2008 the Department of Health and Human Services shall adopt rules establishing an hourly rate for the total value of benefits received by a recipient of ASPIRE-TANF benefits based on a 40-hour work week and an annual calculation from the department and the federal Department of Health and Human Services of the value of benefits under state and federal programs. The rules must provide an adjustment in the benefits payable to an employed recipient of benefits from the department to reflect a decrease in the total benefits paid by deducting from the benefits the hourly amount of net earned income. Rules adopted pursuant to this section are routine technical rules as defined by the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A.

**Sec. 9. Application.** That section of this Act that enacts the Maine Revised Statutes, Title 36, section 5219-BB applies to income tax years beginning on or after January 1, 2008.

## SUMMARY

This bill enacts a five-point welfare reform package. The bill imposes a 90-day residency requirement for general assistance, provides a tax credit for employers hiring recipients of welfare benefits, changes the 20-hour work participation requirement in the ASPIRE-TANF program, adjusts benefits to reflect earned income and imposes a 60-month lifetime limitation on ASPIRE-TANF benefits for adults. This bill specifies that the New Hire credit applies to tax years beginning on or after January 1, 2008.