

# MAINE STATE LEGISLATURE

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# 117th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1995

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Legislative Document

No. 1389

H.P. 980

House of Representatives, April 19, 1995

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### **An Act to Promote Work, Family and Dignity.**

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Received by the Clerk of the House on April 14, 1995. Referred to the Committee on Human Resources and ordered printed pursuant to Joint Rule 14.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative TREAT of Gardiner.

Cosponsored by Representatives: ADAMS of Portland, BENEDIKT of Brunswick, BERRY of Livermore, BRENNAN of Portland, CHARTRAND of Rockland, CHASE of China, DESMOND of Mapleton, DORE of Auburn, ETNIER of Harpswell, FISHER of Brewer, FITZPATRICK of Durham, GERRY of Auburn, GOULD of Greenville, GREEN of Monmouth, HATCH of Skowhegan, HEESCHEN of Wilton, JOHNSON of South Portland, JONES of Bar Harbor, KILKELLY of Wiscasset, LUTHER of Mexico, MERES of Norridgewock, MORRISON of Bangor, NADEAU of Saco, RICHARDSON of Portland, SAMSON of Jay, SAXL of Portland, SHIAH of Bowdoinham, SIROIS of Caribou, STEVENS of Orono, TOWNSEND of Portland, VOLENIK of Sedgwick, WATSON of Farmingdale, Senators: CLEVELAND of Androscoggin, FAIRCLOTH of Penobscot, McCORMICK of Kennebec, PARADIS of Aroostook, RAND of Cumberland.

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

2  
4       **Sec. 1. 19 MRSA §497-B, sub-§§1 to 4**, as enacted by PL 1993, c.  
607, §5, are amended to read:

6       **1. Notice of support order.** The department shall serve the  
8 responsible parent and the custodial parent with a notice that it  
intends to establish a support order and a blank income  
affidavit. The notice must state the following:

10           A. The names of both parents and the names of the dependent  
12 child or children;

14           B. The department's intention to establish a support order,  
16 which may include a periodic payment for current support, a  
debt for past necessary support including medical expenses  
and an obligation to provide health insurance coverage;

18           C. That the responsible parent and the custodial parent  
20 must submit a completed income affidavit to the department  
within 30 days; except that the department may waive this  
22 requirement for custodial parents who have already reported  
their income to the department;

24           D. That the department calculates a proposed support order  
26 based on the State's child support guidelines using all  
available information and, if there is a lack of sufficient  
28 reliable information about a parent's actual earnings for a  
current or past period, the department presumes for the  
30 purpose of establishing a current support obligation or a  
debt for past necessary support that the responsible parent  
32 has or had an earning capacity equal to the average weekly  
wage as determined by Department of Labor statistics for the  
34 applicable years;

36           E. That the department sends to the responsible parent and  
the custodial parent by regular mail a copy of the proposed  
38 support order and, the affidavits submitted by the parents  
and the department's child support worksheets;

40           F. That either the responsible parent or the custodial  
42 parent may request a hearing in writing within 30 days of  
the date of mailing of the proposed support order;

44           G. That if the department does not receive a timely request  
46 for hearing, it issues a decision that incorporates the  
findings of the proposed support order and sends a copy of  
48 the decision to both parents by regular mail; and

2 H. That after a decision is issued, the department may  
3 enforce the decision by any lawful means, including  
4 immediate income withholding, lien and foreclosure,  
5 administrative seizure and disposition, order to withhold  
6 and deliver and tax refund intercept. If a debt for past  
7 necessary support is established, the department may report  
8 the responsible parent and the amount of the debt to a  
9 consumer credit reporting agency.

10 **2. Proposed support order.** After serving notice upon the  
11 ~~responsible parent~~ both parents in accordance with subsection 1  
12 and after more than 30 days have elapsed, the department shall  
13 calculate the responsible parent's parental support obligation  
14 and debt for past necessary support pursuant to subchapter I-A.  
15 Based on its calculations under the support guidelines, the  
16 department shall issue a proposed support order. The proposed  
17 support order must include the department's calculations and  
18 state the amount of the responsible parent's current parental  
19 support obligation and debt for past necessary support, including  
20 medical expenses, and must state the responsible parent's  
21 obligation to provide health insurance coverage for the dependent  
22 child or children and to pay a proportionate share of uninsured  
23 medical expenses. The department shall send a copy of the  
24 proposed support order to the responsible parent and the  
25 custodial parent by regular mail along with a copy of the  
26 parents' affidavits and the department's child support  
27 worksheet. The proposed order must be accompanied by a notice  
28 that states:

30 A. That ~~the responsible parent has~~ both parents have the  
31 right to request a hearing within 30 days of the date of  
32 mailing of the proposed support order and that if a hearing  
33 is requested, the department will send the responsible  
34 parent and the custodial parent a notice of hearing by  
35 regular mail at least 30 days before the date of the  
36 hearing, along with a statement of the hearing rights  
37 described in subsection 3, paragraph A;

38 B. That if the department does not receive a timely request  
39 for hearing, the department will issue a decision that  
40 incorporates the findings of the proposed support order into  
41 the department's decision and send a copy of the decision to  
42 both parents by regular mail;

43 C. That if the department issues a decision that  
44 establishes a responsible parent's support obligation, the  
45 department may enforce the decision by any lawful means,  
46 including immediate income withholding, lien and  
47 foreclosure, administrative seizure and disposition, order  
48 to withhold and deliver and tax refund intercept; and  
49

2 D. That if the department establishes a debt for past  
4 necessary support, the department may report the responsible  
6 parent and the amount of that debt to a consumer credit  
reporting agency.

8 **3. Hearing.** The hearing must be conducted according to  
rules adopted by the commissioner.

10 A. At the hearing, ~~the responsible parent~~ both parents may  
12 present testimony, cross-examine witnesses and be  
represented by an attorney or other person. In rendering a  
14 decision, the department may not consider evidence that was  
not presented at the hearing.

16 B. When deciding the amount of the current parental support  
18 obligation, the debt for past necessary support and the  
availability of health insurance coverage, the official  
20 conducting the hearing shall consider at least the following  
criteria:

- 22 (1) The child's or children's needs;
- 24 (2) The responsible parent's income and real and  
personal property;
- 26 (3) The responsible parent's ability to borrow;
- 28 (4) The responsible parent's ability to earn;
- 30 (5) The responsible parent's needs;
- 32 (6) Whether the responsible parent has a duty to  
34 support other dependents. In any case, the child or  
36 children for whom support is sought must benefit as  
much as any other dependent from the income and  
38 resources of the responsible parent;
- 40 (7) Whether the responsible parent has voluntarily  
42 incurred subsequent obligations that have reduced that  
parent's ability to pay support. This condition does  
44 not relieve the responsible parent of the duty to  
provide support;
- 46 (8) Whether employer-related or other group health  
insurance coverage is available to the responsible  
parent; and
- 48

2 (9) Whether the responsible parent's existing health  
insurance coverage may be extended to include the  
4 dependent child or children.

6 **4. Decision.** If a hearing is held, the department shall  
render a decision based on the hearing record and applicable  
8 state laws and rulemaking. If a request for hearing is not made  
in a timely manner or if the ~~responsible~~ parent requesting the  
10 hearing does not appear at the hearing, the department shall  
issue a decision that incorporates the findings of the  
12 department's proposed support order. The department shall send a  
copy of the decision to both parents by regular mail. The  
14 decision must establish and state:

16 A. The responsible parent's duty to provide support, the  
amount of the current parental support obligation, the  
18 amount of any debt for past necessary support including  
medical expenses, the obligation of the responsible parent  
20 to maintain health insurance coverage for the dependent  
child or children and pay a proportionate share of uninsured  
22 medical expenses, and that the responsible parent must  
provide written proof to the department of health insurance  
24 coverage that is required by the decision within 15 days of  
the responsible parent's receipt of the decision;

26 B. If an obligation for current support is established, an  
order for immediate income withholding is issued and made a  
28 part of the decision;

30 C. Thirty days after the decision is issued, the department  
may enforce the decision by any lawful means, including  
32 immediate income withholding, lien and foreclosure,  
administrative seizure and disposition, order to withhold  
34 and deliver and tax refund intercept. If a debt for past  
necessary support is established, the department may report  
36 the responsible parent and the amount of the debt to a  
consumer credit reporting agency;

38 D. That if the responsible parent does not maintain health  
40 insurance coverage when required to do so by the department,  
the responsible parent may be held liable for all medical  
42 expenditures made by the department or the custodial parent  
on behalf of the dependent child or children; and

44 E. The decision must inform ~~the responsible parent~~ both  
46 parents that ~~that parent~~ they may appeal the decision within  
30 days of the date of mailing of the decision by requesting  
48 the department to hold an administrative review hearing.

2           **Sec. 2. 19 MRSA §497-B, sub-§8**, as enacted by PL 1993, c. 607,  
§5, is amended to read:

4           **8. Amendment.** A responsible parent or a custodial parent  
may request an administrative hearing to amend a decision issued  
6 under this section prospectively based on a substantial change of  
circumstances. The department may seek to amend a decision  
8 issued under this section prospectively based on a substantial  
change of circumstances by using the same process permitted by  
10 this section for establishing a support obligation. When  
proceeding to amend a decision issued under this section, the  
12 department shall state in its notice of hearing that the purpose  
of the proceeding is to amend the responsible parent's support  
14 obligation based on a substantial change of circumstances.

16           **Sec. 3. 19 MRSA §515**, as amended by PL 1989, c. 337, §6, is  
further amended to read:

18           **§515. Administrative review**

20           Within 30 days of receiving notice of any action under this  
22 subchapter, ~~including an administrative decision establishing an  
obligation to provide health insurance and payment for other  
24 medical expenses, and including an administrative decision which  
did not establish an obligation to provide health insurance and  
26 payment for other medical expenses,~~ the responsible parent, the  
custodial parent or the department may move for a review of any  
28 action under this subchapter by serving a request for review,  
together with an affidavit stating the grounds upon which the  
30 request is based, upon the ~~other party~~ department. The  
department may review any action under this subchapter without  
32 proceeding under this section. The department acting on behalf  
of another state or its instrumentality or a person residing in  
34 another state constitutes good cause within the meaning of Title  
5, section 9057, subsection 5.

36           **1. Notice of hearing.** ~~If the responsible parent moves,~~  
38 within Within 7 days of receipt of the request for review, the  
department shall send, by registered or certified mail, ~~the  
40 responsible parent~~ both parents a notice of hearing setting a  
hearing date not less than 15 nor more than 30 days from the date  
42 of service of the request for review.

44 ~~If the department moves, the department shall serve with the  
request for review a notice of hearing setting a date not less  
46 than 15 nor more than 30 days from the date of service of the  
notice.~~

48           **2-A. Hearing.** The conduct of the hearing and rendering of  
50 any decision shall ~~be~~ is as follows.

2 A. The hearing shall must be conducted according to rules  
3 promulgated adopted by the commissioner. The rules shall  
4 must provide at least the right to confront and  
5 cross-examine witnesses, to present witnesses, to be  
6 represented by an attorney or other person and to be  
7 notified of these rights in writing. The decision shall-  
8 is limited to evidence presented at the hearing.

10 B. If the hearing is on a notice of debt issued under  
11 section 500, only the following issues shall may be  
12 considered:

14 (1) The receipt of public assistance by the  
15 responsible parent;

16 (2) Uncredited cash payments;

18 (3) The amount of the debt accrued and accruing;

20 (4) The accuracy of the terms of the court or  
21 administrative order as stated in the notice of debt;  
22 and

24 (5) The maintenance of any required medical or dental  
25 insurance coverage.

28 C. The hearing officer shall render a decision within 30  
29 days of the date on which the hearing was held.

30 D. Within 10 days of the decision being rendered, a copy of  
31 the decision together with a notice of ~~his~~ the right to a  
32 judicial review shall must be sent to the responsible parent  
33 and the custodial parent by ordinary mail.

36 3. **Stay.** If a pleading is filed in any court that requests  
37 modification of a court order for support after a final  
38 administrative decision under this section is served on the  
39 responsible parent, there shall may not be a stay of the  
40 department's collection action. If a pleading is filed for  
41 judicial review of agency action, the collection action may be  
42 stayed as provided in the Maine Administrative Procedure Act,  
43 Title 5, section 11004.

44 **Sec. 4. 22 MRSA §3108** is enacted to read:

46 **§3108. Transportation loan fund**

48 The department shall establish a revolving loan fund to  
50 provide low-interest loans or discounts to persons, in at least 2



2 counties in the State, with household incomes below 200% of the  
3 federal poverty level seeking to purchase or repair a vehicle  
4 necessary for employment. The fund must be sufficient to serve  
5 the anticipated needs of the low-income population of the  
6 counties. In so doing, the department shall work with the  
7 banking industry, automobile dealers in this State, community  
8 action agencies and other interested nonprofit entities to  
9 determine the best manner in which the fund is established and  
10 administered.

11 The department may seek outside sources of funding,  
12 including charitable contributions, grants or the like to carry  
13 out the purposes of this section.

14 **Sec. 5. 22 MRSA §3741-H**, as amended by PL 1993, c. 385, §10,  
15 is repealed and the following enacted in its place:

16 **§3741-H. Child care during participation in employment,**  
17 **education and training**

18 **1. Child care guarantee.** The department shall provide  
19 child care in accordance with the federal Family Support Act of  
20 1988, Public Law 100-485, as amended, when the child care is  
21 necessary to permit a family member who is eligible for federal  
22 Aid to Families with Dependent Children to participate in the  
23 ASPIRE-JOBS program or when the child care is necessary for  
24 employment.

25 **2. ASPIRE-JOBS-related child care.** The department shall  
26 provide an ASPIRE-JOBS program participant's actual cost for  
27 child care up to the maximum rate authorized by federal law. In  
28 determining the maximum rate, the State shall use a method that  
29 results in an amount that equals, or most closely approaches, the  
30 actual market rate in different regions of the State for various  
31 types of child care services received by families in the State  
32 participating in the ASPIRE-JOBS program.

33 **3. Employment-related child care.** Recipients of Aid to  
34 Families with Dependent Children entitled to child care during  
35 participation in employment may choose between:

36 **A. Receiving child care assistance by disregarding from**  
37 their earned income their actual cost of child care up to  
38 the maximum amount of the disregard established by the  
39 department in calculating their assistance; or

40 **B. Receiving child care assistance by having their child**  
41 care provider paid directly by the department through a  
42 purchase of service contract or a voucher program, using the

2           same rate as authorized under the disregard method of  
3           guaranteeing child care to the recipient.

4           **Sec. 6. 22 MRSA §3741-M** is enacted to read:

6           **§3741-M. The Working Parents' Assistance Program**

8           **1. Established; definitions.** The Working Parents'  
9           Assistance Program, referred to in this section as the "program,"  
10           is established to promote strong family units and  
11           self-sufficiency. As used in this section, unless the context  
12           otherwise indicates, the following terms have the following  
13           meanings.

14                   A. "Demonstration area" means the area as described in  
15                   subsection 11;

16                   B. "Working parents' assistance" means cash assistance  
17                   under the program as established in this section.

18           **2. Authorization; duration.** By October 1, 1995, the  
19           department shall obtain any exemptions and waivers from federal  
20           statutes and regulations necessary to qualify the program as a  
21           federally approved demonstration project under the United States  
22           Social Security Act, Section 1115, 42 United States Code, Section  
23           1315.

24           The program must be conducted over a 5-year period.

25           **3. Eligibility.** Families who are eligible to receive Aid  
26           to Families with Dependent Children under this chapter, or who  
27           have received Aid to Families with Dependent Children in 3 out of  
28           the past 6 months, are eligible to participate in the program if  
29           that participation will enhance the overall income available to  
30           the family. Participation in the program is voluntary.

31           **4. Working parents' assistance.** In lieu of Aid to Families  
32           with Dependent Children, any family eligible under subsection 3  
33           must be given the opportunity to receive working parents'  
34           assistance. Participating families are eligible to receive cash  
35           assistance under this program in a declining amount as their  
36           income increases, until their gross family income, less actual  
37           work-related child care expenses up to the maximum allowable rate  
38           established in section 3741-H, exceeds the federal poverty  
39           level. The following provisions govern benefit determinations in  
40           this program.

41                   A. A participant's assistance is calculated by deducting  
42                   countable income, after disregarding the income required by  
43                   this subsection, from the standard of need in the Aid to  
44                   the Family program.

2 Families with Dependent Children program. Income excluded  
4 under the Aid to Families with Dependent Children program on  
6 the effective date of this section is excluded under the  
8 program, except when inconsistent with this section.

10 B. The following income is disregarded in the following  
12 order in determining the eligibility for and amount of  
14 assistance under the program:

16 (1) The first \$90 of gross earned income;

18 (2) Fifty percent of the remaining earned income; and

20 (3) Actual work-related child care expenses up to the  
22 maximum allowable rate established in section 3741-H.

24 **5. No work-hour restrictions.** A household is not made  
26 ineligible for working parents' assistance solely by reason of  
28 the number of hours worked.

30 **6. Medicaid and child care eligibility.** Households  
32 receiving working parents' assistance are eligible to receive  
34 Medicaid and child care in the same manner as families who  
36 receive Aid to Families with Dependent Children. Households who  
38 lose their eligibility for working parents' assistance due to  
40 increased earnings are eligible to receive transitional Medicaid  
42 and child care in the same manner as described in the federal  
44 Family Support Act of 1988, Public Law 100-485.

46 **7. Individual development accounts.** For parents in the  
48 demonstration area receiving Aid to Families with Dependent  
Children or working parents' assistance, money placed in  
individual development accounts must be excluded as a resource in  
determining eligibility under subsection 4, paragraph B.  
Individual development accounts may be established by or on  
behalf of a parent or child receiving Aid to Families with  
Dependent Children or working parents' assistance in the  
demonstration area. Total contributions to the account may not  
exceed \$10,000. Participants may withdraw from the account only  
qualified expenses, which include reasonable educational expenses  
for either the parent or the child; money toward purchasing a  
residence, including a mobile home and costs related to siting  
the mobile home; money toward purchasing transportation necessary  
to access a job or job market; and business capitalization.

**8. Lump-sum payments.** The so-called "lump-sum rule" set  
out in the United States Social Security Act, Section 402(a)(17)  
does not apply to families receiving Aid to Families with

2 Dependent Children or working parents' assistance in the  
3 demonstration area. Funds received as lump-sum payments must be  
4 counted as resources unless otherwise exempt.

6 9. Child support arrears. Participants in the  
7 demonstration area receiving either Aid to Families with  
8 Dependent Children or working parents' assistance or who have  
9 assigned their right to support to the department and who have  
10 established an individual development account pursuant to  
11 subsection 7 are entitled to place into that account the first  
12 \$2,000 of child support arrears collected by the department that  
13 would otherwise be retained by the department pursuant to Title  
14 19, section 495.

16 10. Health insurance for working families. The department  
17 shall provide health care to working parents and their children  
18 with incomes at or below 150% of the federal poverty level who  
19 would not otherwise be eligible for Medicaid. Health care under  
20 this section must be provided through a system of managed care.

22 Benefits provided, cost sharing required and the treatment of  
23 private insurance and 3rd-party liability under this program must  
24 be the same as for families receiving extended medical assistance  
25 under the federal Family Support Act of 1988, Public Law 100-485.

26 11. Demonstration area. The program must be conducted in a  
27 demonstration area that includes at least 50% of the total number  
28 of families receiving Aid to Families with Dependent Children  
29 within the demonstration area.

30 12. Termination without penalty. If a participant chooses  
31 to terminate participation in the program then, upon  
32 reapplication for other income assistance under this chapter and  
33 a determination of eligibility, the participant must be enrolled  
34 in the federal Aid to Families with Dependent Children program  
35 effective from the date of reapplication, without penalty.

38 **Sec. 7. 22 MRSA §3760-D, sub-§1,** as amended by PL 1993, c.  
39 410, Pt. I, §13, is further amended to read:

40 **1. Amount of payment.** The department shall provide a  
41 special housing allowance in the amount of \$75 per month for each  
42 assistance unit to recipients of Aid to Families with Dependent  
43 Children whose shelter expenses for rent, mortgage or similar  
44 payments, property insurance and property taxes equal or exceed  
45 75% of their monthly assistance unit income. ~~Effective July 1,~~  
46 ~~1994 the special housing allowance is limited to \$50 per month~~  
47 ~~for each assistance unit.~~ For purposes of this subsection  
48 "monthly assistance unit income" means the total of the unit's  
49 Aid to Families with Dependent Children monthly benefit, plus  
50

2 income countable under Aid to Families with Dependent Children  
program rules, plus child support received by the unit, excluding  
the so-called \$50 pass-through payment.

4  
6 **Sec. 8. 22 MRSA §3761, sub-§§1 and 2**, as repealed and replaced  
by PL 1993, c. 707, Pt. I, §3, are amended to read:

8 **1. Benefits; emergency situation.** Benefits to needy  
families with children in emergency situations in which the a  
10 family is deprived of the basic necessities essential to their  
its support, including, but not limited to, utility terminations,  
12 lack of adequate shelter, fire and other natural disasters. In  
determining what constitutes an emergency with respect to utility  
14 terminations, the department shall grant assistance when an  
otherwise qualified family has received a disconnection notice  
16 and has exhausted their its ability to negotiate and pay the  
terms of a reasonable payment arrangement. The program may not  
18 be used to supplant local responsibility for operating or funding  
a general assistance program. The department shall may not  
20 expend more than \$750,000 \$1,000,000 of state general assistance  
funds for the purposes of covering the cost of services set out  
22 in this subsection; and

24 **2. Additional emergency services.** Additional emergency  
services to children who are at risk of removal from the home  
26 because of their specified relative's inability to provide care  
and children in emergency situations where continued presence in  
28 the home is not in the best interest of the children. Additional  
emergency services are defined as those that cover emergency  
30 situations resulting from child abuse, neglect, abandonment or  
domestic abuse. The department may expend other general funds  
32 for the additional emergency services described in this  
subsection; and

34 **Sec. 9. 22 MRSA §3761, sub-§3** is enacted to read:

36 **3. Emergency assistance necessary to secure or retain a**  
38 **job.** Benefits to a family with children below 100% of the  
federal poverty level who are at risk of losing a job or of being  
40 unable to accept a job offer due to a temporary crisis that may  
be resolved with the assistance payment. Any such assistance may  
42 include, but is not limited to, emergency vehicle repairs,  
insurance, mandatory fees, child care costs, assistance for items  
44 such as tools of the trade, uniforms, clothing, nonreimbursable  
medical care, including eye care or dental care or relocation  
46 costs necessary for employment.

48 **Sec. 10. 24 MRSA §2349-A** is enacted to read:

50 **§2349-A. Medical child support**

2           A corporation organized pursuant to this chapter must comply  
with 42 United States Code, Section 1396g-1.

4           **Sec. 11. 24-A MRSA §2742, sub-§5** is enacted to read:

6           **5. Compliance.** An insurer issuing policies under this  
8 chapter must comply with 42 United States Code, Section 1396g-1.

10          **Sec. 12. 24-A MRSA §2809, sub-§1-A,** as enacted by PL 1985, c.  
12 652, §51, is amended to read:

14          **1-A.** Any such policy of group health insurance which that  
provides coverage for family members or dependents of individuals  
16 in the insured group may not define the terms "family" or  
"dependent" to exclude from coverage those minor children of any  
covered individual who do not reside with that individual.  
18 Insurers must comply with 42 United States Code, Section 1396g-1.

20          **Sec. 13. 24-A MRSA §4237** is enacted to read:

22          **§4237. Medical child support**

24          A health maintenance organization must comply with 42 United  
26 States Code, Section 1396g-1.

28          **Sec. 14. 26 MRSA §664, first ¶,** as amended by PL 1991, c. 507,  
§2, is further amended to read:

30          By reason of the declaration of policy set forth in section  
661 and ~~in~~ for the protection of the industry or business and ~~in~~  
32 for the enhancement of public interest, health, safety and  
welfare, and for the purpose of reducing the need for public  
34 assistance for low-wage workers, it is declared unlawful for any  
employer to employ any employee, except as otherwise provided in  
36 this subchapter, at the a rate of less than ~~\$3.65~~ \$4.75 per hour  
in 1987 1995 and ~~\$3.75~~ \$5.50 per hour starting January 1, 1989  
38 1996 and ~~\$3.85-per-hour,~~ starting January 1, 1990 1997, ~~but-in-no~~  
~~ease-may-the-minimum-hourly-wage-exceed-the-average-minimum~~  
40 ~~hourly-wage-of-the-5-other-New-England-states~~ an amount that when  
multiplied by 40 equals the weekly wage necessary to raise a  
42 family of 3 to the federal poverty level; or to require any  
employee to work more than 40 hours in one week, unless 1 1/2  
44 times the regular hourly rate is paid for all work done over 40  
hours in any one week; and whenever the highest federal minimum  
46 wage is increased in excess of the minimum wage established under  
this section, the minimum wage must be increased to the same  
48 amount, effective on the same date as the increase in the highest  
federal minimum wage, ~~but-in-no-case-may-the-minimum-wage-exceed~~  
50 ~~\$5-per-hour.~~ The overtime provision of this section does not

2 apply to mariners; the canning, processing, preserving, freezing,  
4 drying, marketing, storing, packing for shipment or distribution  
6 of herring as sardines, of perishable foods, of agricultural  
8 produce and meat and fish products, nor to the canning of  
perishable goods; nor to hotels, motels, restaurants and other  
eating establishments; public employees; nor to automobile  
mechanics, automobile parts clerks or automobile sales  
representatives.

10 **Sec. 15. 26 MRSA §844-A** is enacted to read:

12 **§844-A. Unpaid sick time**

14 **1. Definition of employer.** For the purpose of this  
16 section, "employer" means either an employer as defined in  
Section 843 or an employer as defined in 29 United States Code,  
Section 2611, Subsection 4.

18 **2. Unpaid sick time.** An employee is entitled to accrue  
20 unpaid sick time at least at the rate of 8 hours per 170 hours of  
22 employment. Sick time may be used by the employee in the event  
24 of actual illness or preventative medical care of the employee or  
when necessary to care for a dependent who is ill or needs  
assistance obtaining preventative medical care.

26 **3. Limit.** Employers are not required to allow employees to  
28 accrue more than 80 hours of sick time. Employers may require an  
30 employee to verify necessary medical appointments, but may not  
require verification of ordinary illnesses that do not require  
medical treatment.

32 **Sec. 16. 26 MRSA c. 35** is enacted to read:

34 **CHAPTER 35**

36 **FAMILY-FRIENDLY EMPLOYERS**

38 **§3001. Intent**

40 The purpose of this chapter is to encourage and reward labor  
42 practices that provide working parents with a workplace that  
recognizes the needs of workers' families.

44 **§3002. Certification as "family-friendly"**

46 The Commissioner of Economic and Community Development shall  
48 certify as family-friendly those employers that apply for  
certification and whose working conditions appropriately  
50 accommodate the needs of families with children according to the  
standards set in section 3003. The commissioner shall develop a

2 method of publicly recognizing certified employers. Employers  
3 who receive certification are entitled to advertise the fact of  
4 certification. This certification may be renewed biennially upon  
5 application and subsequent determination by the commissioner that  
6 the employer continues to meet the standards in section 3003.

### 8 **§3003. Standards**

10 In determining whether to certify an employer as  
11 family-friendly the Commissioner of Economic and Community  
12 Development shall consider whether health insurance for employees  
13 and their families is available at reasonable cost; wages are  
14 sufficient to support a family; the working hours are flexible or  
15 accommodate family needs; sick leave and vacation time policies  
16 accommodate family needs; on-site or other education or training  
17 is made available to increase workers' skill levels and  
18 opportunity for advancement; and other policies or practices are  
19 in place that promote a workplace conducive to family needs. In  
20 making this determination the commissioner shall consider the  
21 financial ability of the employer to accommodate family needs.

22 **Sec. 17. Inventory of child care needs for participants in education**  
23 **and training programs.** The University of Maine System, the Maine  
24 Technical College System and the Department of Education,  
25 Division of Adult and Community Education shall conduct an  
26 inventory of the unmet child care needs of students attending  
27 these institutions or programs and those seeking to attend for  
28 whom the lack of quality, affordable child care creates a barrier  
29 to attendance and develop a plan to meet that need. This plan  
30 must identify the type of care that is necessary and appropriate  
31 at each location where education services are offered, establish  
32 standards for that care, determine the cost of ensuring the  
33 availability of that care and develop a fee schedule that takes  
34 into account the ability of their students to pay for child care  
35 services.

36 Each institution required to develop a plan to meet the  
37 child care needs of its students under this section shall present  
38 its plan to the Joint Standing Committee on Human Resources and  
39 the Joint Standing Committee on Appropriations and Financial  
40 Affairs by January 15, 1996, including any request for additional  
41 appropriations necessary to implement the plan.

44 **Sec. 18. Comprehensive assistance for working families.** The  
45 Department of Human Services shall identify one local office in  
46 the State in which to offer, on a voluntary basis and as a  
47 demonstration program, a comprehensive package of services,  
48 including intensive case management, to low-income families with  
49 children who have a job or a job prospect that they are in danger  
50 of losing, or who are immediately seeking work at the time that



2 they are applying for Aid to Families with Dependent Children.  
3 The office shall create links to employers in the community and  
4 encourage employers seeking assistance on behalf of employees who  
5 need certain services or assistance to maintain employment to  
6 contact the office for immediate assistance in locating any  
7 available resources to help prevent the loss of employment by the  
8 employee. The purpose of this demonstration program is to help  
9 families stay in the work force or get back into it more quickly  
10 and limit the amount of time that they will need cash assistance.

11 Families participating in this demonstration program  
12 continue to have access to a case manager who is empowered to  
13 broker the services necessary for a family to maintain employment  
14 for up to 6 months after the family is no longer eligible for  
15 cash assistance. This initiative must be undertaken in a  
16 specialized program environment that is hospitable to families,  
17 including providing nontraditional office hours for working  
18 families.

19 While case management services must be provided by  
20 department staff who have received specialized training  
21 appropriate to the goals of this program, the department shall  
22 also utilize the services of ASPIRE field placement trainees with  
23 prior experience in the work force as peer educators and  
24 advocates to help participating families in their effort to  
25 reenter or stay in the work force.  
26

## 27 **Sec. 19. Commission to Prevent Poverty among Working Parents.**

28 **1. Commission established.** There is established the  
29 Commission to Prevent Poverty among Working Parents, referred to  
30 in this section as the "commission." The goal of the commission  
31 is to investigate the extent to which poverty exists among  
32 working families, including how its occurrence contributes to the  
33 growing poverty rate among children resulting in the need for  
34 greater public assistance expenditure and make a comprehensive  
35 set of recommendations to the 118th Legislature that address the  
36 commission's findings.  
37

38 **2. Commission members.** The commission consists of 21  
39 members, all of whom must have knowledge and experience of the  
40 economic challenges facing low-income working people. An equal  
41 number of members must be appointed by the Governor, the  
42 President of the Senate and the Speaker of the House of  
43 Representatives as follows.  
44

45 A. The Governor shall appoint the following members:  
46

- 47 (1) An employer of this State;  
48

- 2 (2) A representative of the Department of Human  
Services;
- 4 (3) A representative of the Department of Labor;
- 6 (4) A representative from a nonprofit organization  
8 whose purpose it is to advance the economic security of  
women;
- 10 (5) A representative from an organization that  
12 advocates for low-income people;
- 14 (6) A representative from a nonprofit agency providing  
community economic development services; and
- 16 (7) A public policy specialist concentrating on issues  
18 related to poverty and the economy.

20 B. The President of the Senate shall appoint the following  
members:

- 22 (1) A member of the religious community;
- 24 (2) A member of the joint standing committee of the  
26 Legislature having jurisdiction over labor matters;
- 28 (3) A representative of the University of Maine System;
- 30 (4) A representative from a community action agency;
- 32 (5) A professional child care provider;
- 34 (6) A provider of adult education services; and
- 36 (7) A representative of an organization providing  
38 health insurance benefits to state employers.

40 C. The Speaker of the House shall appoint the following  
members:

- 42 (1) A representative of organized labor;
- 44 (2) A recipient of benefits from the Aid to Families  
46 with Dependent Children program who is a current or  
former participant in an education and training program;
- 48 (3) A Legislator who serves on the joint standing  
50 committee of the Legislature having jurisdiction over  
human resources matters;

2 (4) A representative from a nonprofit organization  
4 providing education and training services to low-income  
families;

6 (5) A worker with minor children who earns less than  
8 150% of the federal poverty level;

10 (6) A representative of the Maine Aid to Families with  
Dependent Children Advisory Council; and

12 (7) A representative from the Maine Technical College  
14 System.

16 **3. Responsibilities of the commission.** The commission  
shall:

18 A. Adopt a basic needs budget that reflects the minimum  
20 amount of income necessary to meet a family's basic needs,  
including those expenses necessary to successfully  
22 participate in the labor market;

24 B. Determine the extent to which current labor market  
participation enables individuals and families to earn the  
26 amount of income necessary to meet the basic needs budget;

28 C. Examine current labor laws and practices to determine  
their impact, both positive and negative, on the ability of  
30 families to meet the basic needs budget;

32 D. Consider and determine the respective responsibilities  
of the public and private sectors in ensuring that working  
34 families have adequate income to meet their basic needs;

36 E. Evaluate the effectiveness of the state unemployment  
insurance program in meeting the needs of low-wage workers  
38 when they become unemployed;

40 F. Develop a proposal for a state-earned income tax credit  
that would enable working families to meet the requirements  
42 of the basic needs budget;

44 G. Examine the wages, benefits and protection available to  
part-time and temporary workers, leased employees,  
46 independent contractors and other contingent workers as  
compared to regular full-time workers;

48 H. Solicit, receive and accept grants or other funds from  
50 any person or entity and enter into agreements with respect  
to these grants or other funds regarding the undertaking of

2 studies or plans necessary to carry out the purpose of the  
commission; and

4 I. Request any necessary data from either public or private  
6 entities that relate to the needs of the commission.

8 **4. Appointments and initial meeting.** Appointing  
authorities shall make all appointments to the commission by  
10 October 1, 1995, and shall report those appointments to the Chair  
of the Legislative Council, who shall call the first meeting of  
12 the commission by November 1, 1995. At the first meeting of the  
commission, the commission shall elect a chair from among its  
14 members.

16 **5. Staff assistance.** The Department of Human Services, the  
Department of Labor and the Legislative Council shall provide  
18 staff assistance to the commission.

20 **6. Funding.** The commission may seek outside sources of  
funding.

22 **7. Reimbursement; mileage and other costs associated with  
24 participation on the commission.** The members of the commission  
are not entitled to reimbursement for expenses or legislative per  
26 diem except that:

28 A. Legislative members are entitled to reimbursement for  
mileage upon application to the Executive Director of the  
Legislative Council; and

30 B. Persons serving on the commission whose family incomes  
32 are at or below 150% of the federal poverty level are  
entitled to reimbursement for transportation and child care  
34 expenses necessary to perform commission duties.

36 **8. Report.** The commission shall prepare and submit a  
report, including any legislation necessary to implement its  
38 recommendations, to the First Regular Session of the 118th  
Legislature by November 15, 1996.

40 **Sec. 20. Waiver of vehicle asset limit.** The Department of Human  
42 Services shall seek a waiver from the Federal Government of the  
federal vehicle asset limit in the Aid to Families with Dependent  
44 Children program to exclude, for purposes of determining  
eligibility, one vehicle per family used for transportation to  
46 work, education or training, family medical appointments, or  
other uses considered essential by the Department of Human  
48 Services.



2	<b>General Assistance</b>		
4	All Other	\$250,000	\$250,000
6	Provides funds to be used to		
8	address employment-related		
10	emergencies through the		
12	Emergency Assistance Program.		
	<b>Welfare Employment, Education</b>		
	<b>and Training</b>		
14	All Other	3,000,000	3,000,000
16	<b>DEPARTMENT OF HUMAN SERVICES</b>		
18	<b>TOTAL</b>	<u>\$3,250,000</u>	<u>\$3,250,000</u>

20 **STATEMENT OF FACT**

22 The purpose of this bill is to promote the strengthening of  
 24 family units by reforming welfare programs and providing other  
 26 steps to help reduce poverty among families with children and  
 limit their need for public assistance.

28 This bill requires the Department of Human Services to seek  
 a federal waiver to establish a 3-year demonstration program  
 30 known as the Working Parents' Assistance Program. This  
 demonstration program would operate in 4 counties of the State.  
 32 It is intended to show that if work provides a realistic  
 opportunity for Aid to Families with Dependent Children parents  
 34 to support their families, they are more likely to stay  
 employed. The program includes the following elements.

36 1. Working recipients in the Aid to Families with Dependent  
 Children program would be given the opportunity to receive  
 38 "working parents' assistance" instead of Aid to Families with  
 Dependent Children. Participating families would be eligible to  
 40 receive cash assistance under this program in a declining amount  
 as their income increases until their family income, less child  
 42 care expenses, exceeds the federal poverty level of \$12,590 for a  
 family of 3.

44 2. This bill requires the department to provide health care  
 46 through a system of managed care for working parents and their  
 children in the demonstration area whose income is below 150% of  
 48 the federal poverty level.

2 3. This bill ensures access to affordable child care for  
parents participating in the Working Parents' Assistance Program  
would be reimbursed for their child care costs.

4  
6 4. This bill eliminates work-hour restrictions for program  
participants.

8 5. This bill establishes individual development accounts  
that allow participants to save an amount not exceeding \$10,000  
10 to be used only for qualified expenses, such as reasonable  
educational expenses for a parent or child, the purchase of a  
12 residence, the purchase of a car necessary to get back and forth  
to work and business capitalization.

14  
16 6. Under the program, a family is allowed to keep the first  
\$2,000 of collected arrears that otherwise would have been kept  
18 by the department if they place it in their individual  
development account to be used for certain qualified expenses.

20 7. This bill allows a family that receives a lump-sum  
settlement to place funds in the individual development account  
22 instead of having benefits reduced for the period of time that  
results from dividing the amount of the lump sum by the Aid to  
24 Families with Dependent Children standard of need.

26 This bill also gives the custodial parent the right to  
participate in administrative child support enforcement  
28 proceedings.

30 This bill requires the Department of Human Services to seek  
a waiver of the federal vehicle asset limit to exempt one vehicle  
32 per family if that vehicle is used for transportation to work,  
medical appointments or other essential uses determined by the  
34 department and directs the department to establish a revolving  
loan fund to make low-interest car loans available to persons  
36 below 200% of the federal poverty level seeking to purchase or  
repair a vehicle necessary for employment.

38  
40 This bill provides access to child care assistance in  
advance and requires the department to give working Aid to  
42 Families with Dependent Children parents the choice of using  
either the present system, or having their child care provider  
paid directly by the department through a voucher or purchase of  
44 service contract.

46 This bill expands the emergency assistance program to  
increase the state expenditure and to provide assistance to  
48 families with children who are at risk of losing a job or of  
being unable to accept a job offer due to a temporary crisis.  
50 Assistance would include, but would not be limited to, emergency

2 automobile repairs, insurance, or mandatory fees necessary to  
allow a person transportation to and from the job, one-time child  
4 care costs necessary to work, or assistance for items such as  
tools of the trade, uniforms, clothing or nonreimbursable medical  
6 care, including eye care or dental care, necessary to perform the  
job.

8 This bill ensures that children are properly provided with  
health insurance.

10 This bill increases incrementally the minimum wage to an  
12 amount necessary to equal the federal poverty level for a family  
of 3.

14 This bill requires that employers must provide unpaid sick  
16 time, accrued at the rate of 8 hours per month of full-time  
employment, for employees who need to take time off from work  
18 because either they are sick or they need to take care of a child  
or dependent who is sick. Workers would also be able to use the  
20 time for preventative care.

22 This bill provides for the public recognition of employers  
who have adopted family-friendly practices in their workplaces by  
24 means of certification by the Department of Economic and  
Community Development.

26 This bill requires the Maine Technical College System, the  
28 University of Maine System and the Department of Education,  
Division of Adult and Community Education to inventory the unmet  
30 child care needs of their students and develop a plan for meeting  
those needs and to report back to the Legislature.

32 This bill establishes a demonstration project in one office  
34 of the Department of Human Services to provide comprehensive  
assistance to working families.

36 This bill establishes the Commission to Prevent Poverty  
38 among Working Parents that must make its report to the First  
Regular Session of the 118th Legislature. This bill provides  
40 funding for the commission.

42 This bill also provides the state appropriation of  
\$2,050,000 for fiscal years 1995-96 and 1996-97 and the federal  
44 allocation of \$3,250,000 for fiscal years 1995-96 and 1996-97 to  
allow the Department of Human Services to draw down the full  
46 amount of the federal money available for the ASPIRE program.