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NF97-318 Nebraska Welfare Reform Act

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Nebraska Welfare Reform Act

by Kathy Prochaska-Cue, Extension Family Economist

In 1995 the Nebraska Unicameral passed the Welfare Reform Act consolidating several public cash assistance programs including Aid to Dependent Children. Under the new law, parents who receive benefits for eligible children must complete a self-sufficiency contract aimed at getting them into job-training/education leading to jobs and economic self-sufficiency in two years, the maximum amount of time to receive cash assistance. Transitional work-related child care will be available on a cost-share plan for up to an additional 24 months if family income is less than 185 percent of the federal poverty level. A recipient family may be required to contribute up to 20 percent of their gross income for child care. Transitional health care is available on a sliding-scale basis to individuals and families with incomes of up to 185 percent of the federal poverty level if other health care coverage is not available. Food stamps are considered a continuous benefit with eligibility re-evaluated yearly.

Under the new law, the principal wage earner and other nonexempt members of the family are required to participate in one or more of the following as part of a self-sufficiency contract:

- **education** (Adult Basic Education, English as Second Language, high school, post-secondary education, other approved education);
- **job skills training** (vocational training, apprenticeships, on-the-job training, training to operate a microbusiness);
- **work experience** (unpaid work in a public, private, for-profit or nonprofit business/organization for three-month period maximum);
- **job search** (finding their own jobs. If an intensive job search does not result in employment within three months, both the assessment and self-sufficiency contract shall be reassessed);
- **employment** (full-time or part-time work with pay adequate for the recipient family to reach economic self-sufficiency. The amount of pay a person can earn without reducing welfare benefits is increased).

Cash assistance is provided for a total of two years for recipient families. The two-year time period usually begins when the self-sufficiency contract is signed. If the state fails to meet the contract, an additional two-year period shall be extended. Once assistance has been received for two years, no further cash assistance is available for at least two years. If no job paying at least the equivalent of the amount of cash assistance (minus any unearned income) is available for the adult members of the recipient family, the self-sufficiency contract shall be revised and the two-year time period for cash assistance extended.

Cash assistance may be available for persons who receive cash assistance for the maximum time allowed but who face "extreme hardship." Extreme hardship is: when the "family does not have adequate cash resources to meet the costs of the basic needs of food, clothing, and housing without continuing assistance or the child or children are at risk of losing care by and residence with their parent or parents." Conditions for receiving cash assistance include:

- Payment amount is based on family size. Any child born into the family after the initial ten months of program participation shall not increase the cash assistance payment. The only exception is child support or other income on behalf of this child or children received will not be considered as countable income for the family in determining amount of their cash assistance payment.
- The adults in the family must ensure that all minor children (age 16 or under) of school age regularly attend school. The cash assistance amount provided may be reduced if "reasonable action" has not been taken to encourage school attendance.
- Two-parent families that would otherwise be eligible for cash assistance will receive such assistance.
- For minor parents, the assistance payment will be based on the minor parent's income. If the minor parent lives with at least one parent, the family's total income will be considered in determining eligibility and payment levels for the minor parent. If the minor parent lives independently, support shall be pursued from the parents of the minor parent and from the parents of the absent parent if he or she is also a minor. Support from parents of minor parents will not be pursued when the family income is less than 300 percent of the federal poverty guidelines.
- Self-sufficiency contracts are required of all adults in recipient families. Adults are defined as all individuals at least 19 years of age or younger including parents, siblings, uncles, aunts, cousins, or grandparents whether the relationship is biological, adoptive, or step.
- If assistance is requested for the entire family, self-sufficiency contracts also are required for all adults who are not biological, adoptive, or step-parents of the children in the family.

This law established what has evolved into the Welfare Reform Employment First program. Employment First initially began October 1, 1995, in Lancaster, Adams, Clay, Nuckolls, and Webster counties. Following completion of the first year of the program, the [Department of Social Services](#) is identifying adjustments or adaptations needed before extending Employment First to other areas of the state.

A final section of the Welfare Reform Act mandates development of a plan for implementation of common human services region boundaries in Nebraska and for location together and integration of programs and services.

REFERENCE: Revised Statutes of Nebraska: 1995 Supplement, volume 2, pp. 932-941.

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