§ 131-z. Child assistance program. 1. Notwithstanding any other provision of law to the contrary, any district may operate a child assistance program as part of the family assistance program with the approval of the department. Approved expenditures for such child assistance program shall be subject to federal and state reimbursement as expenditures under the family assistance program in accordance with section one hundred fifty-three of this chapter. Provided, however, on or after January first, nineteen hundred ninety-eight the department shall reimburse social services districts for the administrative costs of this program in accordance with the provisions of subdivision sixteen of section one hundred fifty-three of this chapter. All custodial parent families receiving family assistance benefits shall be eligible for this program, provided they satisfy the requirements of this section, if they reside in a district which operates such a program.

2. Where a program has been authorized, child assistance payments pursuant to the provisions of this section may be made to custodial parents on behalf of minor children in accordance with the criteria specified in subdivisions three, four, five and six of this section in lieu of allowances determined in accordance with section one hundred thirty-one-a of this article. The amount of such child assistance payments shall be at least the sum of three thousand three hundred sixty dollars per annum for the first minor child and one thousand one hundred sixteen dollars per annum for each additional minor child, provided that such payments shall be reduced by the amounts specified in paragraph (a) of subdivision six of this section. The commissioner may develop a methodology which will provide for the periodic adjustment of the benefit level to reflect changes in maximum monthly grants and allowances authorized pursuant to section one hundred thirty-one-a of this article for the family assistance program. In addition, the child assistance payments shall be established so that the payments combined with earnings from full-time employment shall result in a family of three having income at or above the poverty level for nineteen hundred eighty-seven as reported by the federal department of health and human services.

3. No custodial parent who resides in a social services district or

portion of such district in which a child assistance program is operated shall be eligible under this program for receipt of child assistance payments for a child, unless:

(a) An order of child support for such child has been made by a court of competent jurisdiction;

(b) The order of child support is payable through a support collection unit as created by section one hundred eleven-h of this chapter or such other administrative mechanism as may be designated by the commissioner; or the custodial parent has cooperated in taking the necessary steps to ensure that the child support order is payable through a support collection unit or other administrative mechanism;

(c) The parent subject to a support order described in paragraphs (a) and (b) of this subdivision is absent from the home;

(d) The custodial parent and the child for whom, or on whose behalf an application for child assistance program payments is made is at such time, a recipient of family assistance benefits; and

(e) The custodial parent has not withdrawn from the program within the three months prior to the date of reapplication for benefits under this program.

4. Notwithstanding the provisions of subdivision three of this section, a custodial parent may be eligible under this program even though the custodial parent has failed to obtain an order of child support because:

(a) The other parent is deceased;

(b) The custodial parent has demonstrated to the satisfaction of the commissioner, a diligent effort to obtain a child support order, including providing the local social services district with the information necessary to file a petition for child support, but due to reasons outside of the control of the custodial parent, a child support order is not obtainable in a reasonable period of time;

(c) The custodial parent has good cause as defined in regulations, not to cooperate in obtaining a child support order; or

(d) The child resides with both parents and paternity has either been acknowledged or established.

5. A participant is no longer to be considered a participant in this

program when such individual is not eligible for payments as a result of the operation of paragraph (a) of subdivision six of this section for four consecutive months.

6. (a) So long as funds are available therefor, the amount received by each custodial parent eligible to receive child assistance payments pursuant to this section shall be reduced by an amount equal to:

(i) An amount which reflects a portion of the actual income of the custodial parent pursuant to a methodology to be established by the commissioner; and

(ii) An additional amount which reflects that portion of the custodial parent's spouse's income which is deemed to be available to other household members pursuant to a methodology to be established by the commissioner.

(b) Persons in receipt of both child assistance under this section and medical assistance pursuant to title eleven of article five of this chapter who, prior to April first, two thousand five, become ineligible for medical assistance solely due to increased earnings from employment or loss of earned income disregards shall, if otherwise eligible, remain eligible for medical assistance until March thirty-first, two thousand five or until such later time as may be required by the provisions of such title or of this subdivision. Such medical assistance shall be provided initially pursuant to paragraphs (a) and (b) of subdivision four of section three hundred sixty-six of this article.

(c) With respect to persons described in paragraph (b) of this subdivision, including those no longer in receipt of child assistance due to increased earnings from employment, when the medical assistance provided pursuant to paragraphs (a) and (b) of subdivision four of section three hundred sixty-six of this chapter ends, such persons, if ineligible for medical assistance solely due to earnings from employment or loss of earned income disregards shall, if otherwise eligible, remain eligible for medical assistance for an additional twelve months. However, in no event shall medical assistance be provided pursuant to this paragraph for any period that is more than twelve months after such persons cease to participate in the child assistance program.

(d) Social services districts shall take all necessary actions to provide medical assistance pursuant to paragraphs (a) and (b) of

subdivision four of section three hundred sixty-six of this chapter to individuals described in paragraphs (b) and (c) of this subdivision who are eligible for such assistance. Social services districts shall provide to individuals described in paragraphs (b) and (c) of this subdivision information as to the availability of the child health insurance plan described in title one-A of article twenty-five of the public health law.

7. Each participating social services district shall provide to all recipients eligible for participation in this program in accordance with the approved program a comparison of the benefits that would be available to the household under family assistance and the child assistance payments as provided in this section. Each participating district shall inform all eligible recipients that participation in this program is voluntary.

8. Participation in this program shall be voluntary. Should a participant elect to terminate his or her participation in this program, then, upon reapplication for family assistance benefits and a subsequent determination of eligibility, such participant shall be restored to benefits effective from the date of reapplication.

9. The department shall promulgate regulations for the operation of the child assistance program. Such regulations shall include but not be limited to:

(a) Resources. At program entry, program participants may not have resources which exceed the level permitted for eligibility for the family assistance program. Once eligible for the program, no further resource tests shall be imposed;

(b) Eligibility determinations. Program participants shall not be required to report changes in income more frequently than quarterly;

(c) Lump sums. If a child or relative participating in the program receives, in any month or months in a quarter, a non-recurring amount of earned or unearned income, the quarterly total of which exceeds one quarter of the annual poverty level for nineteen hundred eighty-seven for a family of the same size as the program household which received the lump sum, the case shall be ineligible for assistance for the whole

number of quarters that equals the amount of the non-recurring income received, adjusted for any applicable disregards of income, divided by the quarterly poverty level applicable to the case;

(d) One hundred eighty-five percent of gross income test. Program participants shall be allowed to have income in excess of one hundred eighty-five percent of the state standard of need;

(e) Loss of eligibility. Non-compliance with a condition of eligibility shall result in the ineligibility of the whole family for the child assistance program;

(f) Determination of available income. Notwithstanding section one hundred thirty-one-a or any other provision of this chapter, determination of available income and the determination of income to be disregarded shall be in accordance with these regulations provided however that the methodology shall not be adjusted in a manner such that a household would receive a lower benefit than a similarly situated household would have received in January, nineteen hundred ninety-seven for the same amount of earned income; and

(g) Cash out of food stamps. To the extent permitted by federal law, program participants shall receive the value of their food stamps in cash.

(h) Child support pass through. The requirement that certain child support collected be passed through to the custodial parent pursuant to section one hundred eleven-c of this chapter shall not apply to persons participating in the child assistance program.