

(4) Payments to a business for its participation in the grant diversion program are subject to the following conditions:

(i) Pursuant to paragraph (5), the recipient shall be placed in a job and work at least 30 hours per week;

(ii) The recipient shall be employed for 1 month prior to the first payment;

(iii) The business shall be paid once per month for participating in the program;

(iv) The payments to the business by the State each month shall not exceed the amount of the State and federal share of the recipient's AFDC grant and food stamps for that month; and

(v) The business may continue to receive a payment for hiring a recipient for up to 6 months from the date of hire for that recipient.

(5) A placement made in accordance with paragraph (4) of this subsection may not replace:

(i) A laid off employee;

(ii) An employee on strike; or

(iii) An employee receiving State or federal training assistance.

(g) (1) The Secretary shall establish a schedule of benefit reductions and terminations for noncompliance with the training and work requirements of the pilot. The schedule shall include the benefit reductions and terminations provided for in this subsection.

(2) Once an individual is found to be not in compliance, the social services caseworker shall investigate the reasons for the noncompliance and provide assistance.

(3) (i) For the first cumulative 6 months of noncompliance, the individual not in compliance shall be removed from the calculation of AFDC benefits until the individual is in compliance.

(ii) If after a total of 6 months the individual is still not in compliance, the AFDC case shall be closed and the family shall be ineligible for future AFDC benefits unless the individual:

1. Reapplies for AFDC benefits; and

2. Complies with the requirements of the pilot for 30 days prior to receiving AFDC benefits.

(4) In any case where AFDC benefits are reduced or terminated under this subsection, the family shall retain eligibility for:

(i) Medical assistance; and