

February 16, 2023

The Honorable Francis Averkamp, Chairperson
House Committee on Welfare Reform
300 SW 10th Avenue, Room 152-S
Topeka, Kansas 66612

Dear Representative Averkamp:

SUBJECT: Fiscal Note for HB 2394 by House Committee on Welfare Reform

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2394 is respectfully submitted to your committee.

HB 2394 would require the Secretary of the Department for Children and Families (DCF) to develop a program for the Federal Low-Income Energy Assistance Program (LIEAP). The Secretary of the Kansas Department for Aging and Disability Services (KDADS) would be required to develop and implement a program for assisting individuals who are unhoused or at risk of being unhoused to find and secure affordable housing. The bill would include requirements for persons/families applying for assistance which must be met.

DCF indicates that HB 2394 could have a fiscal effect on federal benefits paid. Mandatory employment and training are not allowed by the LIEAP program and the state would risk the loss of federal benefits of as much as \$58.0 million. The LIEAP program is a 100.0 percent federally funded program providing assistance to eligible, low-income families to help with their energy costs. Most benefits are paid directly to the service providers on behalf of the families. However, in certain circumstances, such as when utilities are included in the family's rent or when purchasing firewood as a heating source, the benefits may be paid to the family.

LIEAP benefits require an annual application and benefit determination. For families determined eligible, a one-time lump sum payment is issued to the service provider. A second payment may be issued if federal funding remains after all initial applications are processed. Kansas pays LIEAP benefits for about 40,000 families annually. Most of these families (about 90.0 percent) also receive Supplemental Nutrition Assistance Program (SNAP) benefits which make them subject to SNAP work requirements. Of the remaining LIEAP families, it is estimated that only a small percentage would meet the definition of an able-bodied adult without dependents

(ABAWD) working less than 30 hours per week which would require them to be enrolled in an employment or training program through DCF.

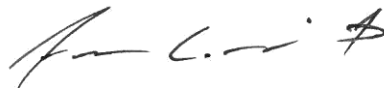
DCF uses the 150.0 percent of the federal poverty level. The regulations also indicate states “may give priority to those households with the highest home energy need or needs in relation to household income.” States must submit, with their state plans, assurances the “state will not exclude households” described in the above clause. Federal regulations do not include a work requirement as proposed in the bill.

It should also be noted that LIEAP funds do not include an allowance for the use of these funds to implement and operate an employment and training program. SNAP funds can be used to operate an employment and training program for SNAP recipients. This bill would impact only those individuals receiving LIEAP determined to meet the ABAWD definition who are not receiving SNAP. These expenses would need to be paid with 100.0 percent from the State General Fund.

KDADS indicates that HB 2394 would require KDADS to secure affordable housing for individuals that are “able-bodied” or that do not have a mental or behavioral health diagnosis. The agency does not have the proper staffing or expertise to have oversight and administration of this program. This would take a considerable amount of time and resources for training, hiring, program development, stakeholder engagement, and public input.

The bill would affect the providers KDADS contracts with by increasing their workload (mostly the Certified Community Behavioral Health Clinics and Community Mental Health Centers). They would need funding and the ability to hire and train staff to work these programs as these are different from any type of housing support they provide to clients and consumers currently. KDADS is not able to estimate the fiscal effect on expenditures for the agency or providers. Any fiscal effect associated with HB 2394 is not reflected in *The FY 2024 Governor’s Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Kim Holter, Department for Children & Families
Leigh Keck, Department for Aging & Disability Services