



Strong Families Make a Strong Kansas

House Commerce, Labor and Economic Development Committee

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Testimony on:

HB 2381

Presented by:

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Kansas Department for Children and Families

Testimony of:

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Kansas Department for Children and Families
Topeka, Kansas

Testimony on:

HB 2381, Kansas Hope, Opportunity and Prosperity for Everyone (HOPE) Act

Chairman Hutton, Vice-Chair Mason, Ranking Member Frownfelter and Members of the Committee:

Thank you for the opportunity to provide testimony in support of HB 2381.

The Kansas Department for Children and Families (DCF) has instituted several employment-focused policy changes since 2011 that have helped struggling Kansans move from poverty to prosperity. The most effective path out of poverty is employment. Our 2011 policy changes have proven effective—getting individuals back to work, helping them develop their skills to maintain employment, and giving them the tools they need to support their families.

HB 2381 proposes to solidify the agency's policy changes in statute, to ensure transparency and allow for legislative input. The bill also proposes three new policy initiatives aimed at furthering our mission to protect children, promote healthy families and encourage personal responsibility. The legislation also repeals outdated statutes.

Background

In 1996, Congress passed and President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), which created the Temporary Assistance for Needy Families (TANF) program. This welfare to work legislation was the largest reform in America's welfare system history, and at its core was a work requirement for all able-bodied parents. For the first time, welfare was managed like a work program where individuals were required to work or participate in work components to be eligible. The nation saw huge reductions in the welfare rolls, historic levels of employment and low rates of child poverty, not seen in years. Low-income Americans gained independence from dependency that had plagued families for multiple generations. Through the dignity of work, these individuals were given a path to self-sufficiency and ultimately the opportunity for success.

In 2011, Kansas' TANF work programs were lagging behind. The success other states had experienced after the welfare to work bill passed had not materialized in Kansas. In fact, Kansas had performed so poorly compared to other states following the passage of

the 1996 welfare to work bill that we had received an 'F' grade from the Heartland Institute in its state-by-state analysis.

The agency set out to reform the Kansas welfare system to better aid recipients to successfully move to self-sufficiency by implementing policies that encourage and emphasize work. The TANF caseloads have been reduced significantly since 2011, and individuals are successfully leaving the welfare rolls and moving into full-time employment. In fact, 27,921 TANF recipients reported new employment from January 2011 through July 2014. DCF enacted these employment-focused reforms without changing income eligibility guidelines. The agency also initiated a business model redesign that made it easier on individuals to receive benefits, decreasing our average eligibility determination from 30 days to fewer than 10 days.

Temporary Assistance for Needy Families (TANF)

TANF is designed to be a bridge from welfare to work, as set out in the 1996 law. It is a time-limited cash benefit welfare program that requires work as a condition of eligibility. All adult TANF recipients are required to take part in work activities, as mandated by federal rules and regulations. Participation rates of the TANF work programs must meet federal standards or the TANF block grant dollars are at risk.

Current TANF Policies Included in HB 2381:

At the time of application, TANF applicants are required to open a KANSASWORKS account and complete a reading assessment. The client is immediately given an individualized plan for employment. Failure to complete the registration and assessment leads to a denial of TANF benefits.

TANF clients are also required to actively participate in work components that lead to competitive, integrated employment, such as full or part-time employment, on-the-job training, and job search/job readiness. Through intensive, individualized case management, the agency has been successful in assisting clients obtain work in high-demand occupations. Short-term training programs for clients in high-demand occupations have the real-life effect of changing a family's financial future. For example, by completing a six-to-eight week training program in truck driving, a TANF client immediately found a job starting around \$55,000 per year with full benefits.

Non-cooperation with TANF work programs and child support services will result in a time-specific forfeiture of benefits. Timing of forfeiture will be tiered and dependent upon the number of offenses: the first instance of non-cooperation will result in three months forfeiture; second non-cooperation, six months; third non-cooperation, one year; and a fourth non-cooperation will result in 10 years forfeiture. Most states which impose similar sanctions see a reduction in non-cooperation offenses.

Parents with a child under three months of age are exempt from the TANF work participation requirement. Persons with disabilities are required to participate in work activities to the extent consistent with their disabilities.

To reflect the original intent of the stopgap program to provide temporary assistance to families, the lifetime limit for TANF benefits was reduced. This policy change allows us to work closely with individuals to assess their skills and help them obtain and keep employment in less time. The 60-month lifetime limit was reduced to 48-months, with hardship exemptions for those families with extenuating circumstances that prevent them from finding employment. The average TANF client in Kansas receives benefits for 14 months.

As an option to families who need emergency help to keep or obtain employment, families are now able to receive a one-time diversion payment of \$1,000 to solve emergency hardship situations. To be eligible to receive the diversion payment, clients must agree to forego entry into the TANF program for a 12-month period.

To bring fairness and accountability into the TANF and Child Care Assistance programs, individuals who knowingly and deliberately commit fraud lose eligibility permanently. Assistance to children in the home may be continued under a third party, protective payee.

To provide equal treatment to all TANF and Child Care Assistance households, income in the household is now included, regardless of marital status.

In accordance with federal regulations, Kansas Benefits Card holders are no longer allowed to purchase adult entertainment in which performers disrobe, alcohol, cigarettes, tobacco products or lottery tickets with the cash portion of their benefit card.

Child Care Assistance

The Child Care Assistance program is an income-based program that provides a child care subsidy to low income, working families (up to 185 percent of the federal poverty level). The amount of the subsidy is based on income and number of children, with most families paying a partial share of the cost.

Current Child Care Assistance Policies Included in HB 2381:

Studies show that the most effective way to move people out of poverty is to get them into full-time employment. To encourage full-time employment and self-sufficiency, this bill requires child care subsidy recipients to be employed a minimum of 20 hours per

week, with flexibility for more required hours at the Secretary's discretion. DCF currently requires child care subsidy recipients to work 28 hours per week.

In an effort to assist post-secondary students, DCF now provides up to 24 months of child care subsidy for the pursuit of any degree or certification up to and including a bachelor's degree if the occupation has at least an average job outlook listed in the Occupational Outlook of the U.S. Department of Labor, Bureau of Labor Statistics. For occupations with less than an average job outlook, educational plans require DCF approval.

Post-secondary students must be employed a minimum of 15 hours per week and earn at least the federal minimum wage per hour to be approved for child care for their educational plan.

As with the TANF program, Child Care Assistance recipients are required to cooperate with child support services. Non-cooperation with child support services will result in time-specific forfeiture of benefits. Timing of forfeiture will be tiered and dependent upon the number of offenses: the first instance of non-cooperation will result in three months forfeiture; second non-cooperation, six months; third non-cooperation, one year; and a fourth non-cooperation will result in 10 years forfeiture.

Supplemental Nutrition Assistance Program (SNAP)

The United States Department of Agriculture's (USDA) Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, provides food benefits to qualifying low-income households with income up to 130 percent of the federal poverty level.

Current SNAP Policies Included in HB 2381:

In 2011, DCF removed the unequal and discriminatory policy that had prorated a portion of the household income for households that included individuals who could not or would not provide proof of their citizenship. Federal law prohibits illegal immigrants from qualifying for welfare benefits; therefore, individuals who refuse to provide proof of their citizenship are ineligible to receive SNAP. This policy change resulted in citizen and non-citizen households' income levels being treated equally, and removed the discriminatory policy that gave non-citizen households an unfair advantage over citizen households.

HB 2381 prohibits DCF from implementing broad-based categorical eligibility in Kansas. The broad-based categorical eligibility option allows states to automatically put individuals on SNAP if they are currently eligible for TANF programs. Many states have exploited this as a way to increase participation in the SNAP program. To eliminate the opportunity for fraud, HB 2381 removes the option for broad-based categorical eligibility.

Federal law requires that able-bodied adults without dependents (ABAWD) meet work requirements as a condition of eligibility to the SNAP program. The 2009 stimulus bill allowed states to waive work requirements for ABAWDs. Since that time, states have individually been permitted to continue using the waiver if certain U.S. Department of Labor criteria are met. Kansas no longer meets those criteria because of its low unemployment rate.

HB 2381 prohibits the agency from requesting or implementing any waiver that would weaken the federally-mandated work requirement for ABAWDs to ensure that able-bodied adults continue to meet the federal work requirement of a minimum of 20-hours per week of work or participate in a federally-approved work program.

HB 2381 also includes language that reflects new federal law prohibiting federal or state funds to be used for recruitment onto the SNAP program. The Agricultural Act of 2014 eliminated the use of federal funding for television, radio and billboard ads, and prohibits the USDA and states from entering into cooperative agreements with foreign governments to promote SNAP.

Proposed Statutes to Repeal

HB 2381 proposes to repeal the statutes in reference to the following programs that no longer are funded or operational: General Assistance, Transitional General Assistance and KanWorks programs.

The mandate is removed that requires DCF to apply to the federal government for the approval to implement electronic benefits transfers. This statute is outdated and no longer necessary, as DCF implemented the use of electronic benefits transfers in the 1990s.

The final repeal concerns statutes under which DCF would establish and operate child care centers. This is also an outdated statute that should be removed to better represent agency operations that do not include operation of child care centers.

New Policies Proposed

The agency is proposing three new policy initiatives in HB 2381. These policies are a continuation of the employment focused policies the agency has implemented over the last four years.

SNAP Client Cooperation with Child Support Services

As the TANF and Child Care Assistance programs already mandate, the proposed policy would add the requirement that SNAP adult recipients cooperate with child services. This will result in increased child support payments to custodial families. DCF

estimates that this policy change will impact 19,900 cases and will phase in the requirement over time to minimize the caseload impact for staff.

Federal Drug Convictions, SNAP Eligibility

Federal law prohibits convicted drug felons from participation in the SNAP program. This proposed policy change merely reflects that requirement in our statutes. HB 2381 permanently disqualifies individuals from SNAP eligibility if they have been convicted of a state or federal felony offense involving the possession, use or distribution of a controlled substance after July 1, 2015.

Non-allowable Locations, TANF Benefits

This portion of HB 2381 states that TANF recipients would be prohibited from using cash assistance for sexually-oriented adult materials, in sexually-oriented businesses, or in any business or retail establishment where minors under age 18 are not permitted. This restriction on cash benefit usage is added to the restriction on strip clubs, alcohol, cigarettes, tobacco products and lottery tickets.

Conclusion

DCF stands in strong support of HB 2381. DCF is committed to helping individuals bridge the gap between poverty and full-time employment. These policy changes allow us to do just that. Providing needed support and assisting our clients to become employed, we offer them the opportunity to lift themselves and their families out of poverty. Generational poverty is a serious problem plaguing Kansas. By empowering individuals to escape that path, we are helping generations to come.

I would like to share with you the experience of a Topeka family that has benefited greatly from our employment programs. DCF has developed a training program with Foley Manufacturing in Topeka for TANF recipients and Rehabilitation Services clients. In the first class, one of the TANF clients completed the program with a backhoe operator's certification, a scissor lift certification and a first aid/CPR certification. He was able to secure a full-time construction job making \$14.50 per hour. His wife was also able to gain employment with the help of the Topeka work program. This hard-working couple is making a combined income of close to \$30 per hour, and has gone from being dependent on welfare services to a life of independence and self-sufficiency for themselves and their two children. This story illustrates how employment-focused programs can change lives and provide hope to families.

Thank you for the opportunity to address the committee on this important piece of legislation. I am happy to stand for questions.