

February 10, 2016

The Honorable Daniel Hawkins, Chairperson
House Committee on Health and Human Services
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Hawkins:

SUBJECT: Fiscal Note for HB 2589 by Representative Waymaster

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2589 is respectfully submitted to your committee.

HB 2589 would require that any person who, with parental consent, has become exempt from compulsory school attendance would be ineligible for Temporary Assistance for Needy Families (TANF) benefits and the Supplemental Nutrition Assistance Program (SNAP). The bill would require the Kansas Department of Education (KSDE) to notify the Kansas Department for Children and Families (DCF) the names of such students. The agencies would be required to execute a data-sharing agreement governing the use of the data. The data could be used only for the purposes stated in the bill.

DCF states that HB 2589 would result in both cost savings and additional expenditures. The bill would penalize teen dropouts receiving either TANF or SNAP assistance, or both. Current DCF policy is more restrictive than the proposed bill for TANF only and TANF/SNAP cases. As a result, no savings on benefits is anticipated. However, the bill also proposes the loss of benefits for individuals receiving only SNAP. SNAP assistance is fully federally funded and is not reflected in the state budget, but SNAP administrative expenditures are reflected in the budget. The administrative savings estimated for this change total \$385,862 in FY 2017.

HB 2589 would also result in increased expenditures. The required communication between Departments would necessitate modifications to the Kansas Eligibility Enforcement System (KEES) automated eligibility system. These costs include building a data interface. Estimated costs related to these changes total \$196,400, of which \$39,319 would be from the State General Fund. Additionally, changes would be required for the legacy system. These total \$20,000, of which \$4,004 would be from the State General Fund. This system is used to determine eligibility for TANF only and TANF/SNAP cases. These costs are one-time development and change costs.

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DCF also states that the United States Department of Agriculture (USDA) regulations prohibit state sanctions on SNAP-only assistance based on school attendance. As a result, all federal funds related to the administration of SNAP activities would be at risk as it is unlikely the USDA would approve the state plan. The at-risk funding would total \$62,693,639 for FY 2017, including \$28,222,919 from the State General Fund.

KSDE states that it would be necessary to develop a computer program for use by school districts to report on students exempt from compulsory school attendance. The estimated cost of such a program is \$25,000 from the State General Fund. Any fiscal effect associated with HB 2589 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Jackie Aubert, Children & Families
Dale Dennis, Education