

February 6, 2017

The Honorable Vicki Schmidt, Chairperson
Senate Committee on Public Health and Welfare
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Schmidt:

SUBJECT: Fiscal Note for SB 95 by Senate Committee on Public Health and Welfare

In accordance with KSA 75-3715a, the following fiscal note concerning SB 95 is respectfully submitted to your committee.

SB 95 would amend current law regarding public assistance eligibility and applications for assistance. The bill would allow, but not require, individuals to submit applications for assistance telephonically. The bill would increase the Temporary Assistance for Needy Families (TANF) work participation requirement exemption for single custodial parents with a child under three months to under one year. The bill would remove the 20-hour minimum employment requirement for non-TANF child care assistance and would remove the lifetime maximum of 24 months for child care assistance for parents seeking a post-secondary education.

SB 95 would allow the Secretary of the Department for Children and Families (DCF) to seek waivers from the United States Department of Agriculture for food assistance for able-bodied adults without dependents aged 18 through 49. The waivers would have to be in accordance with federal regulations and apply only to designated areas in which the unemployment rate exceeds 10.0 percent or areas without a sufficient number of jobs. The bill would also allow the Secretary of DCF to exempt specific populations from the work requirement for purposes of receiving food assistance. Exempted populations could include, but not be limited to individuals aged 18 to 21 who are aging out of the foster care system, homeless individuals, ex-offenders, mentally ill individuals, and non-custodial parents.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	\$4,196,125	\$13,939,104	\$23,086,342	\$32,989,192
FTE Pos.	--	34.00	--	34.00

DCF states that SB 95 includes several provisions that would have a fiscal effect. DCF estimates that 30.0 percent of applicants would use a telephonic method for applying for assistance. In order to receive these calls, the agency states that a call center dedicated to the handling of assistance applications would be necessary. The call center would have to record and store the application process. The applications would then be submitted to DCF for eligibility determination like other applications received online or in the mail. DCF's Child Support Services call center was used as a model for estimating the cost of a new call center. Assuming an implementation date of January 1, 2018, DCF estimates start-up costs and six months of operations at \$1,387,511 for FY 2018 and ongoing annual costs of \$1,775,022 for FY 2019 and subsequent years.

To extend the work participation requirement for single parents with a child under three months of age to single parents with a child under the age of one DCF estimate an increase of 212 cases to the TANF caseload. The additional costs are estimated at \$353,041 for FY 2018 and \$649,582 for FY 2019. These costs would be fully financed from the federal TANF Fund. The estimated cost of removing the minimum number of work hours required for non-TANF child care assistance is \$3,007,051 in FY 2018 and \$5,633,600 in FY 2019. These additional costs would be covered with federal child care funding. To eliminate the 24 month lifetime limit for child care assistance for parents seeking post-secondary education, DCF estimates a caseload increase of 2,620 children in FY 2018 at an additional cost of \$7,985,905. For FY 2019, the agency estimates a caseload increase of 7,479 children at an additional cost of \$23,065,343. Funding for these additional costs would be primarily from the State General Fund as the federal child care grant maximums would be reached.

The bill would allow DCF to seek a federal waiver for food assistance for able-bodied adults aged 18 to 49 without dependents in specified areas. The federal Department of Agriculture has designated three counties in Kansas which currently meet the requirements for the waiver. Those counties are Geary, Linn, and Neosho. DCF estimates an additional 17 individuals in these counties would be eligible for food assistance. Based on an average monthly benefit of \$112.50, the annual effect of the waiver would be \$22,950. The bill would also allow DCF to exempt certain individuals from work requirements for food assistance. DCF estimates additional food assistance of \$6,097,794 in FY 2018 and \$11,012,130 in FY 2019. Food assistance benefits are fully federally funded and are not reflected in the state budget, therefore neither of these estimates for additional expenditures is included in the table at the beginning of this section.

In addition to the estimated increases in caseloads and benefits paid, DCF states that SB 95 would increase other operating expenditures. The changes in eligibility rules would require modifications to the Kansas Eligibility and Enforcement System (KEES), including revising tables and updating rules. The estimated cost for these changes totals \$231,700 in FY 2018. The changes related to increased assistance for able-bodied adults without dependents would significantly increase the number of assistance cases and additional DCF staff would be needed. DCF would require 27.00 additional Human Services Specialist FTE positions and 7.00 additional Human Services Assistant FTE positions. The agency estimates that the positions

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would be needed for half of FY 2018. The estimate for salary and wages expenditures for the new positions is \$824,654 in FY 2018 and \$1,673,136 in FY 2019. Additional other operating expenditures for the new staff would total \$143,243 in FY 2018 and \$192,508 in FY 2019. Funding for the positions and associated operating expenditures would be a mix of state and federal funding. Any fiscal effect associated with SB 95 is not reflected in *The FY 2018 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