

SESSION OF 2017

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR SENATE
BILL NO. 95**

As Recommended by Senate Committee on
Public Health and Welfare

Brief*

Sub. for SB 95 would amend law for public assistance programs concerning applicant requirements, telephonic signature, and eligibility.

Telephonic Signature

The bill would require a telephonic signature by an applicant or an applicant's authorized representative be accepted to fulfill any signature requirement for application for public assistance programs administered by the Secretary for Children and Families (Secretary). The bill would make a telephonic signature an option for applicants, not a requirement. A telephonic signature would constitute a valid and legal signature and would be defined to mean a recording of the verbal assent of an individual to submit an application for public assistance to the Secretary over a telephone system and the information to which assent has been given. A telephonic signature could not be denied legal effect or enforceability solely because the signature is telephonic.

The bill would require the Secretary to enter into a memorandum of understanding with any organization in Kansas that is willing and able to collect and store telephonic signatures on behalf of an applicant. The memorandum would be required to include the requirements for collecting

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

and storing a telephonic signature, to provide for access to such signatures by the Department for Children and Families (DCF), and to require, prior to the adoption of rules and regulations, the Secretary to accept any telephonic signature that is submitted in accordance with the memorandum. The Secretary would be required to adopt rules and regulations prior to January 1, 2018, to establish requirements for telephonic signatures.

On or before July 1, 2018, DCF would be required to develop the capability to accept telephonic signatures in electronic audio file formats that are submitted with an online application and to store telephonic signatures in electronic audio file formats together with applications stored within DCF.

Temporary Assistance to Needy Families

The bill would extend the work exemption requirement from a parent personally providing care for a child under three months of age to an individual who is a single custodial parent personally providing care for a child under the age of six months. The bill would eliminate exceptions to the three-month exemption due to medical needs of the child, and the bill would eliminate the conditions under which the three-month work exemption could not be claimed.

Non- Temporary Assistance to Needy Families Childcare

In determining and maintaining eligibility for non-Temporary Assistance to Needy Families (TANF) child care, the bill would eliminate the requirement that all adults in a child care household work 20 hours per week.

Food Assistance (Federal Waiver)

The bill would allow the Secretary to request and implement a federal waiver for time-limited food assistance

for able-bodied adults aged 18 to 49 without dependents in areas that have an unemployment rate of over 10 percent or that do not have a sufficient number of jobs. The Secretary would be allowed to exempt specific populations from time limitations and work requirements. The specific populations would include individuals aged 18 to 21 years who are aging out of the foster care system, homeless individuals, ex-offenders, individuals who are mentally unfit for employment, and non-custodial parents.

Background

The bill was introduced by the Senate Committee on Public Health and Welfare at the request of Senator Kelly. In the Senate Committee hearing proponent testimony was provided by representatives of ChildCare Aware of Kansas, Episcopal Community Services, Food Equality Initiative, Inc., Harvesters – The Community Food Network, Help House, Kansas Action for Children, Kansas Food Bank, KC Healthy Kids, Sisters of Charity of Leavenworth, and Wesley House and by a private citizen. The proponents stated the electronic voice signature would expedite the process for applying for food assistance and it would be beneficial to reinstate a federal waiver option to allow certain able-bodied people without a disability to qualify for food assistance for more than three months.

Written-only proponent testimony was provided by Catholic Charities of Northeast Kansas, Center on Budget and Policy Priorities, Center for Law and Social Policy, Double Up Food Bucks, El Centro, Food Research and Action Center, Healthy Communities Wyandotte, Kansas Appleseed, Kansas Breastfeeding Coalition Inc., Kansas Interfaith Action, Kansas State Alliance of YMCAs, United Community Services of Johnson County, and USD 501 Topeka School District, and by two private citizens.

Opponent testimony was provided by Senator Pilcher-Cook, the Secretary, and a representative of Strategic

Training Solutions. The Secretary stated implementation of the telephonic signature requirement would have a significant fiscal impact on DCF. Written-only opponent testimony was provided by the Foundation for Government Accountability.

Written-only neutral testimony was provided by Kansas Catholic Conference.

The Senate Committee made the following amendments to the bill and subsequently agreed to insert the amended contents into a substitute bill:

- Inserted additional requirements for DCF regarding acceptance of telephonic signatures by individuals submitting applications for public assistance;
- Decreased the work participation exemption as a condition for receiving TANF for a single custodial parent personally providing care for a child under one year of age to providing care to a child under the age of six months; and
- Reinserted language stricken by the bill, as introduced, that would have eliminated a lifetime maximum of 24 months of child care for recipients of non-TANF childcare participating in post-secondary education and reinserted the 15 hours per week work requirement for such recipients.

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, DCF states several provisions would have a fiscal effect. DCF estimates 30.0 percent of applicants would use a telephonic method for applying for assistance. In order to receive these calls, the agency states a call center dedicated to the handling of assistance applications would be necessary. 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 exemption for single parents with a child under three months of age to single parents with a child under the age of one, DCF estimates 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. [Note: The substitute bill would extend the exemption from three months to six months rather than from three months to one year, as in the bill as introduced.]

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. [Note: This provision is not included in the substitute bill.]

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 that currently meet the requirements for the waiver: 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.

In addition to the estimated increases in caseloads and benefits paid, DCF states the bill would increase other operating expenditures. The changes in eligibility rules would require modifications to the Kansas Eligibility and Enforcement System, 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 27.0 additional Human Services Specialist FTE positions and 7.0 additional Human Services Assistant FTE positions. The agency estimates the positions 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 the bill is not reflected in *The FY 2018 Governor's Budget Report*.