

January 31, 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 2141 by House Committee on Welfare Reform

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2141 is respectfully submitted to your committee.

HB 2141 would require all custodial and non-custodial parents to cooperate with the Child Enforcement Program. The bill would also disqualify any individual from participating in the Food Assistance Program during any month the individual is delinquent in making a court ordered support payment.

Estimated State Fiscal Effect				
	FY 2023 SGF	FY 2023 All Funds	FY 2024 SGF	FY 2024 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$806,121	\$1,974,796
FTE Pos.	--	--	--	16.00

Kansas is a mandatory state regarding cooperation with child support services. All required cases are currently referred to Child Support Services (CSS). It is estimated this bill would have no effect on the number of cases referred to CSS nor the amount of child support collected on behalf of these families. CSS currently opens about 1,000 new cases a month related to families receiving food assistance.

The bill would also disqualify individuals from participating in the food assistance program for any month in which a court ordered support payment has not been made. Currently, food

assistance cases are closed only in instances of noncooperation with the Child Support Program. Disqualifying food assistance recipients when they become delinquent for failing to pay court ordered support would require constant notifications between CSS and Employment and Economic Services (EES). Notifications would be needed to stop benefits when a payment is delinquent and to restart benefits when the court ordered support resumes.

CSS and EES maintain separate information systems to track and record data related to child support payments and food assistance eligibility. Modifications would be required for each system in order to report delinquent payments and disqualify benefits. These changes would help provide an automated system of notifications and changes. Estimated costs related to these changes total \$500,000 for each system for a total of \$1.0 million. Instances where a food assistance recipient has an order for support, but the custodial parent has no open assistance program and has chosen to go through a private attorney or court trustee would not be identified through the process. Notifications can only be made for persons in both the child support and EES systems.

The changes to the child support system would be funded with 67.0 percent federal funds and 33.0 percent fee fund. Changes to the EES system would be 50.0 percent federal funds and 50.0 percent state funds. CSS is currently re-platforming its system which would delay any changes being made to its system.

While notifications would be automated, food assistance staff would still need to perform manual operations related to the stopping and restarting of benefits. Delinquency notifications would not be received until the month following the delinquent payments. Federal regulations require recipients to be timely and adequately notified before any actions can be taken. This notice would have to occur prior to disqualification of benefits. This action would delay stoppage of benefits in a month of non-payment until two or more months after the fact.

The bill could also require additional work for food assistance applicants without children in the home. Information would need to be gathered and checked to determine whether these individuals have a requirement to pay court ordered support and whether these payments are being made.

Monthly food assistance benefits are made to approximately 100,000 adults. Allowing for cases such as elderly and disabled individuals, adults with no children, and two-parent families with children, it is estimated that there are about 20,000 adult food assistance recipients who may have a court-ordered child support order. Census data indicates about 69.0 percent of the families eligible for child support receive payments regularly. This implies about 31.0 percent of cases do not receive regular support payments. Applied to the estimated population of food recipients with court ordered support results in about 6,000 potential cases of delinquency. As indicated, food assistance staff would need to perform manual operations for each instance of delinquency.

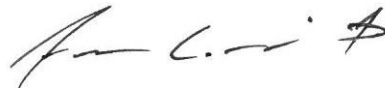
The increased reporting may result in the temporary stoppage of food assistance benefits. No estimate is being made regarding these benefits as these are paid as a pass through from the federal government and are not reflected in the Department for Children and Families (DCF)

budget. The bill could affect the number of applications received as individuals whose cases are closed due to delinquent payments could reapply for benefits at a later time. This would take additional staff time to handle these reapplications.

To meet the increase in manual transactions and reapplications, it is estimated that an additional 16.00 FTE positions would be needed. These positions would be Compliance Coordinators and have responsibility for monitoring delinquency reports and taking actions, as required, to disqualify benefits, send notices, set up overpayments, etc. These positions would be located in the regional DCF offices, with four being assigned to each region. Costs associated with the additional FTE total \$974,796 for FY 2024. This figure includes \$804,831 associated with salaries and benefits and \$169,965 related to other operating expenses. These costs would be funded using 57.0 percent state funds and 43.0 percent federal funds. CSS does not anticipate a significant increase in revenue related to child support collections as a result of requiring Supplemental Nutrition Assistance Program recipients to be current on payments in order to receive their food assistance benefits.

The Office of Judicial Administration indicates that HB 2141 would not have a fiscal effect on the Judicial Branch. Any fiscal effect associated with HB 2141 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Kim Holter, Department for Children & Families
Amy Penrod, Department of Health & Environment
Vicki Jacobsen, Judiciary