



Kansas

Department of Social and
Rehabilitation Services

Senate Commerce Committee
March 1, 2012

Testimony in Support of
SB 438 - Information submitted to department of labor
for state directory of new hires

Presented by:

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Attachment 1

Good morning Madame Chair and members of the committee. I am Trisha Thomas, Director of Child Support Enforcement (CSE) for SRS. I appreciate the opportunity to testify today in support of Senate Bill 438, which was promulgated by CSE.

CSE administers the State's child support enforcement program under the authority of Title IV-D of the Social Security Act. Consequently, CSE's operation is closely controlled by specific United States Code sections and the Code of Federal Regulations. The Office of Child Support Enforcement (OCSE) administers the child support program on the federal level, where it is part of the Administration for Children and Families (ACF) under the United States Department of Health and Human Services (HHS). As a result of this oversight, CSE is sometimes required to request changes to Kansas law to remain in compliance with Title IV-D. That is the case with Senate Bill 438.

CSE is required to maintain a State Directory of New Hires (SDNH) for the collection of certain information regarding newly hired employees. It meets this requirement by contracting with the Kansas Department of Labor to keep and maintain the database. The purpose of this database, from CSE's perspective, is to aid in the collection of child support by providing location information on child support obligors for initiation of child support cases. It also provides employment information for facilitating income withholding orders to ensure the timely payment of child support.

Changes in federal law require that two changes be made to our SDNH: 1) the start date of a new employee must be reported; and 2) Kansas must adopt a federally supplied definition for "newly hired employee." The reasons for those changes are set out below.

On December 8, 2010, President Obama signed the Claims Resolution Act into law (Public Law 111-291), which extends the Temporary Assistance for Needy Families and related programs and makes reforms to the Unemployment Insurance (UI) program, including the new requirement that employers report to the SDNH the date that an employee first performs services for pay. The law amends section 453A of the Social Security Act, effective June 8, 2011.

On October 21, 2011, President Obama signed the Trade Adjustment Assistance Extension Act of 2011 (Public Law 112-40), which amends section 453A(a)(2) of the Social Security Act and requires states to adopt the federally provided definition of "newly hired employee," for purposes of the SDNH. The term "newly hired employee" means an employee who: (i) has not previously been employed by the employer; or (ii) was previously employed by the employer but has been separated from such prior employment for at least 60 consecutive days.

The proposed changes are minor and non-controversial in nature, however, failure to implement them would adversely affect CSE and could result in CSE being out of compliance with federal law, which would place the approximately \$37 million in federal funding CSE receives each year, through federal funds participation, at stake. Any additional costs associated with the

updated reporting will be absorbed within existing CSE resources under the agreement with the Kansas Department of Labor.

Due to the federal mandate and the need to preserve the federal funding received by CSE, I encourage the Committee to support and recommend for passage these important changes to the SDNH.

Thank you for considering CSE's position regarding this legislation. I will be glad to stand for any questions you may have.