

**SECOND CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2094**

As Agreed to April 6, 2023

Brief*

HB 2094 would continue the existing statutory requirement that parents cooperate with child support services administered by the Department for Children and Families (DCF) as a condition of receiving a child care subsidy and maintain the periods of ineligibility for a child care subsidy for non-cooperation. The bill would require the Secretary for Children and Families (Secretary), or the Secretary's designee, to review a parent's child support compliance at certain specified times. The bill would also amend law pertaining to eligibility requirements for the food assistance program (Supplemental Nutrition Assistance Program or SNAP) to require work registrants ages 50 through 59 without dependents who are not exempt under federal law to participate in an employment and training program.

The bill would also make technical amendments to remove duplicative language defining "non-cooperation" and to replace references to "child care benefits" with "child care subsidy" in continuing law that governs the assignment of support rights to the Secretary by applicants and recipients of a child care subsidy when cooperating with child support services.

Non-cooperation with Child Support Services; Child Care Subsidy Disqualification

Timing of Child Support Compliance Reviews

The bill would require the Secretary, or the Secretary's designee, to review the child support compliance of parents applying for or receiving a child care subsidy, upon application for a child care subsidy, after 12 months of continuous eligibility for the subsidy and following such 12 months of continuous eligibility when the Secretary renews or redetermines a parent's eligibility for the subsidy.

Periods of Ineligibility

The periods of ineligibility for a child care subsidy for a parent's failure to comply with child support services would be the same as in current law, with an additional condition that non-compliance reviews would occur at the specific times outlined in the bill.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kIRD>

The periods of ineligibility for a child care subsidy for non-compliance with child support services in continuing law are:

- First penalty, three months and cooperation with child support services prior to regaining eligibility;
- Second penalty, six months and cooperation with child support services prior to regaining eligibility;
- Third penalty, one year and cooperation with child support services prior to regaining eligibility; and
- Fourth penalty, ten years.

Employment and Training Requirements for Food Assistance

The bill would amend law pertaining to eligibility requirements for the food assistance program. The bill would require DCF to assign work registrants ages 50 through 59 without dependents who are not exempt under 7 USC § 2015(d)(2) to an employment and training program as a condition of participation in SNAP. Under current law, only able-bodied adults ages 18 through 49 without dependents and individuals who are not employed at least 30 hours per week are required to participate in an employment and training program to receive SNAP benefits.

[*Note:* 7 USC § 2015(d)(2) is a federal law that exempts the following work registrants between the ages of 16 and 59 from a work requirement:

- An individual currently subject to and complying with a work registration requirement under another federal program or the federal-state unemployment compensation system;
- A parent or other member of a household with responsibility for the care of a dependent child under six years of age or of an incapacitated person;
- A *bona fide* student enrolled at least half-time in any recognized school, training program, or institution of higher education (except that any such person enrolled in an institution of higher education must meet additional requirements);
- A regular participant in a drug addiction or alcoholic treatment and rehabilitation program;
- An individual employed a minimum of 30 hours per week or receiving weekly earnings that equal the federal minimum hourly rate, multiplied by 30 hours; or

A person between the ages of 16 and 18 who is not a head of a household or who is attending school, or enrolled in an employment training program, on at least a half-time basis.]

Second Conference Committee Action

The second Conference Committee agreed to remove the contents of HB 2094 and to insert the provisions of HB 2179, as amended by the House Committee of the Whole, and HB 2140, as amended by the House Committee on Welfare Reform.

Background

HB 2094 contains only the provisions of HB 2179, as amended by the House Committee of the Whole, and HB 2140, as amended by the House Committee on Welfare Reform. The content of the companion bill for HB 2094 (SB 26, pertaining to requirements for health maintenance organizations and medicare provider organizations applying for certificates of authority to demonstrate fiscal soundness) was placed in the Conference Committee Report on SB 119.

HB 2179 (Non-cooperation with Child Support Services; Child Care Subsidy Disqualification)

HB 2179 was introduced by the House Committee on Appropriations at the request of Representative Ballard.

House Committee on Welfare Reform

In the House Committee hearing on March 14, 2023, the Deputy Secretary for Children and Families provided **proponent** testimony, stating the bill would address a conflict between state and federal law. The Deputy Secretary noted, under current state law, families are disqualified from receiving child care assistance benefits for progressive periods of time if they fail to cooperate with child support services. She noted, under federal law, DCF must provide 12 full months of continuous eligibility following the determination and issuance of child care assistance benefits. The Deputy Secretary stated the disruption of benefits if an individual is found non-cooperative with child support services is in violation of the federal requirement. The Deputy Secretary noted DCF requested introduction of this bill in response to a letter of Preliminary Notice of Possible Non-compliance from the federal Administration for Children and Families (ACF) and to avoid a penalty resulting in the loss of federal funds.

Written-only proponent testimony was provided by representatives of Child Care Aware of Kansas, Kansas Action for Children, Kansas Children's Service League, The Family Conservancy, and United Community Services of Johnson County.

Opponent testimony was provided by a representative of Opportunity Solutions Project, stating mandatory child support enforcement as a condition for receiving benefits is good policy. The representative noted the letter sent to DCF by the federal ACF in March 2022 contained several options for compliance with federal regulations, including the option of assessing the penalty for non-compliance after the full 12 months of eligibility. The representative noted that option would allow for a continuity of benefits, while complying with state regulations.

The House Committee amended the bill on March 16, 2023, to maintain the periods of ineligibility for a child care subsidy based on a parent's non-cooperation with child support

services in current law, with the exception that reviews to determine child support compliance would be limited to specific times. [Note: The Conference Committee retained this amendment.]

[Note: At the time the House Committee took action on the bill, the Deputy Secretary indicated this amendment would address the agency's concerns regarding compliance with federal law.]

The House Committee also returned to the language in current statute stating that child care subsidy applicants and recipients are deemed to have assigned rights to child support payments to the Secretary when cooperating with child support services, replacing references to "child care benefits" with "child care subsidy" in that statute for the consistent use of terms. [Note: The Conference Committee retained this amendment.]

House Committee of the Whole

The House Committee of the Whole made a technical amendment, on March 28, 2023, to the title of the bill to ensure the title accurately reflects the bill content. [Note: The Conference Committee retained this amendment.]

HB 2140 (Employment and Training Requirements for Food Assistance)

HB 2140 was introduced by the House Committee on Welfare Reform at the request of Representative Humphries.

House Committee on Welfare Reform

In the House Committee hearing on February 7, 2023, a representative of Opportunity Solutions Project testified as a **proponent** of the bill, stating the bill would move individuals from poverty to self-sufficiency through work requirements or work-related training and participation, help address the state's labor shortage, and help build on the success of DCF's SNAP Employment and Training Services Program.

Opponent testimony was provided by representatives of AARP Kansas, Kansas Action for Children, and Kansas Appleseed Center for Law and Justice, who generally stated the bill would destabilize children's care networks, punish Kansans who already face age discrimination in the workforce by making it more difficult for them to afford food, and add administrative cost and complexity for state agency staff and older Kansans.

Written-only opponent testimony was provided by a representative of Harvesters – The Community Food Network, the Kansas Food Bank, and Second Harvest Community Food Bank; and representatives of the American Heart Association; Community Health Council of Wyandotte County; DCF; Flint Hills Breadbasket; Kansas Association of Area Agencies on Aging and Disabilities; Kansas National Education Association; University of Kansas Institute for Policy and Social Research; and Wyandotte County Women, Infant, and Children (WIC) Program.

No other testimony was provided.

The House Committee amended the bill on February 16, 2023, to replace references to able-bodied adults ages 18 through 59 without dependents with ages 18 through 49, which is current law, and add language to specify work registrants ages 50 through 59 without dependents not exempt under federal law would be required to participate in an employment and training program to receive SNAP benefits. [Note: The Conference Committee retained this amendment.]

On February 22, 2023, the bill, as amended by the House Committee on Welfare Reform, was withdrawn from the House Calendar and referred to the House Committee on Appropriations. On March 1, 2023, the bill was withdrawn from the House Committee on Appropriations and rereferred to the House Committee on Welfare Reform. On March 9, 2023, the House Committee on Welfare Reform had further discussion on the bill and recommended the bill be passed with the amendments previously recommended.

Fiscal Information

HB 2179 (Non-cooperation with Child Support Services; Child Care Subsidy Disqualification)

According to the fiscal note prepared by the Division of the Budget on HB 2179, as introduced, DCF indicates elimination of child support cooperation would have an effect on the child care assistance caseload. Families who have previously been denied benefits due to non-cooperation would now be eligible to receive this assistance. On average, DCF has closed or denied 13 cases (22 children) per month for not cooperating with child support services. The effect of these closures becomes cumulative each month as benefits are approved for a 12-month period.

DCF indicates the fiscal effect of these changes on the projected child care caseload would be total additional child care benefits for FY 2024 of \$865,488 and \$2,576,902 for FY 2025. DCF notes the requirement to cooperate with child support may have kept some eligible families from accessing child care subsidy benefits. It is unknown how many families may not have applied because of this cooperation requirement, so these families are not included in these estimates.

DCF notes the bill would change the eligibility requirements and would require changes to the Economic and Employment Services eligibility system. DCF estimates the one-time cost of changes to the eligibility system would be \$500,000. The bill is not expected to have a significant effect on costs related to child support services. Federal funds from the Child Care Development Fund are available to fully cover the additional expenses based on the current federal award amounts. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2024 Governor's Budget Report*.

HB 2140 (Employment and Training Requirements for Food Assistance)

According to the fiscal note prepared by the Division of the Budget on HB 2140, as introduced, DCF indicates states cannot impose additional limitations on federal SNAP benefits. Failure to comply with federal regulations and definitions could result in federal funds being at risk of being withheld. This could include federal funds to administer the SNAP program and benefits passed to families.

In FY 2022, Kansas received over \$30.0 million in federal funding to administer the SNAP program. Additionally, annual SNAP benefits in excess of \$500.0 million are provided to approximately 95,000 Kansas families. Any fiscal effect associated with the bill is not reflected in *The FY 2024 Governor's Budget Report*.

Public assistance; child care assistance; non-cooperation with child support; disqualifications; child care subsidy; food assistance; supplemental nutrition assistance program; work registrants; employment and training program

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