



Senate Public Health and Welfare
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**SB 95: Amendments to Public
Assistance Requirements and Benefits
(SOAR Act)**

Testimony by:

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Secretary

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Chair Schmidt, Vice Chair Bollier, Ranking Member Kelly and Members of the Committee:

Thank you for the opportunity to testify in opposition to Senate Bill 95, regarding amendments to public assistance requirements and benefits (the SOAR Act).

By way of background, DCF administers public assistance programs, including Temporary Assistance for Needy Families (TANF), Food Assistance/Supplemental Nutrition Assistance Program (SNAP), and child care. The federal programs have specific regulations tied to funding. The TANF program is a result of welfare-to-work legislation, authorized by the Personal Responsibility and Work Opportunity Reconciliation Act and signed by President Clinton in 1996.

It is the ultimate goal of the Kansas Department for Children and Families (DCF) to help individuals move from poverty to prosperity through self-reliance. DCF enacted several employment-focused policy changes via the Kansas Hope, Opportunity and Prosperity for Everyone (HOPE) Act, signed into law in April 2015, after overwhelming support in the Kansas Legislature. The Kansas HOPE Act was the most comprehensive state welfare reform legislation in the nation. The 2016 Legislature followed up with HOPE 2.0, signed into law in May 2016. This further enhanced welfare-to-work efforts by promoting system integrity and ensuring responsible use of taxpayer dollars.

The HOPE Act has proven effective in getting individuals back to work, developing their skills to maintain employment and providing the tools they need to support their families. **From January 2011 through October 2016, 40,665 new employments were reported for TANF clients.** The most effective path out of poverty provides dignity and purpose, and that path is employment. In Kansas, we are moving forward on this path thanks to the reforms codified in the HOPE Act. **The childhood poverty rate in Kansas has decreased from 19 percent in the 2012 KIDS COUNT report down to 17 percent in 2015, and the number of Kansas children in poverty has dropped by 12,000.** The State of Kansas decided not to ally itself with the poverty-industrial complex that puts trifling sums of government money in the hands of people who have fallen on hard times. Instead, DCF is here to help individuals in need by providing intensive case management services that prepare individuals with the tools they need to get and keep good jobs with advancement opportunities for hard-working clients.

Unfortunately, SB 95 (the SOAR Act) is an attempt to repeal several of the positive reforms codified in the HOPE Act. Even as the nation looks to our State as a leader in moving people from welfare to work, Kansas would be taking a step back if the SOAR Act were to pass. We appreciate the opportunity to provide testimony on why these proposed amendments to the HOPE Act should not be adopted.

Child Under Three Months Exemption

The HOPE Act established an exemption from the TANF work participation requirements for parents with a child younger than three months of age. The three-month limitation does not apply if the adult is personally providing care for a child born significantly premature, with serious medical conditions/disabilities. When the adult becomes mandatory for work participation activities the month after the exemption ends, he/she is required to participate in 20 hours per week of work. However, if there is a physical or medical limitation, the individual can be completely exempted or be required to participate in work activities for fewer hours.

The three-month exemption was set to reflect what is common in the world of work, which is six to eight weeks of maternity leave. The Family Medical Leave Act (FMLA) entitles an eligible employee to take up to 12 work weeks of job-protected unpaid leave. We can all agree that the goal for TANF recipients is gainful employment that leads to self-reliance. Providing an exemption for 12 months for maternity leave does not prepare clients for the expectations of the working world.

Should this exemption be moved to one year of age, as proposed in SB 95, affected individuals would only have 12 months to receive employment and support services, including assessment, training and employment. (The average amount of time someone is on TANF is 16 months, with a median of 14 months). Moreover, it is also common for a family to have their children close together in age. Should the family be exempt for one child and then have another child 12 months later, the family would have reached their lifetime limit for cash, with no assistance or training on how to obtain and maintain employment, and thus no closer to self-reliance.

While federal regulation allows states to grant a 12-month extension, the exemption is only allowed for a maximum of 12 months. Should a TANF recipient receive 12 months for the first child, the family would not be granted any time for the second child, and this could negatively impact our federal work participation rates. Should Kansas not meet the federal work participation rates, a penalty is applied for each year they are not met.

The one-year exemption proposed by the SOAR Act is bad for mothers. If the agency is not able to assist the family in finding employment because work participation requirements are not enforced during that year-long exemption, we have failed these families. The year-long exemption proposal in the SOAR Act casts work in a negative light. This is unfortunate. Studies show a positive correlation between work and good health and well-being. Employment can provide people with dignity, purpose and hope. Work also models positive behavior for children. We should be encouraging work rather than exempting clients from it.

Child Care Work Requirements

The SOAR Act strikes language from the HOPE Act that established a general requirement that child care clients in Kansas be employed at least 20 hours per week. **This has a significant fiscal impact.** In fact, removing the minimum work requirement for employed recipients of child care will increase costs by \$3 million in FY 2018, and \$5.6 million in FY 2019. Twenty-three states currently have minimum work requirements for child care recipients. Additionally, these work requirements create a uniform policy that promotes work and helps move individuals toward full-time employment. Studies show that **the most effective way to lift people out of poverty is to get them into full-time employment.**

Child Care for Education Activities

The SOAR Act also proposes to eliminate the 24-month time limit during which time a parent may receive child care assistance for purposes of post-secondary education, and to eliminate the requirement that those post-secondary students be employed a minimum of 15 hours per week. **This proposal has a substantial fiscal impact.** It is estimated that the number of families receiving child care assistance would increase by approximately 15,500, or 29,140 children. These could be families receiving anywhere from a couple of hours of child care assistance per week all the way up to full-time care, depending on the parents' school and work schedules. Allowing for a gradual caseload increase, the estimated fiscal impact is \$7,985,905 in FY 2018, and \$23,065,343 in FY 2019. The full impact would not be expected to be reached until FY 2022.

Providing child care benefits on the taxpayers' tab for people attending post-secondary education, without any work requirements or time limits, is not good public policy. These SOAR Act provisions would also be extremely cost prohibitive. With the proposed language, a recipient could attend years of college and never obtain a degree (or obtain numerous degrees). **The current policy of a 15-hour work requirement and a 24-month limit is the most generous since the child care program was established** in 1999, under DCF's Economic and Employment Services (EES) division. Child care has ranged from the original requirement of 35 hours per week in 1999, to a 20-hour requirement in 2000, when the individual was additionally required to be in the last semester of completing a bachelor's degree. In July 2014, the minimum hours were reduced to 15 per week, and the time limit expanded from the last semester to being completed within 24 months.

Telephonic signatures

SB 95 establishes a requirement for DCF to accept telephonic signatures for any public assistance program, including SNAP, TANF and child care. A telephonic signature is a type of electronic signature that uses an individual's recorded verbal assent in place of an ink signature for an application.

Telephonic signatures is a state option introduced in the Food and Nutrition Act of 2008, which allowed state agencies to accept "spoken signatures" for SNAP.

DCF has compliance concerns with this change. The speech analytics system (put in place by an entity enrolling people in public assistance programs) must be capable of storing, indexing and retrieving the telephonic signature as given by the enrollee, and it must be compatible with the other systems with which it would have to interface (or share information).

The Food and Nutrition Act of 2008 requires that these systems record “the verbal assent of the household member and the information to which assent was given.” For a signature to be considered a telephonic signature, the system must make an audio recording over the telephone of the household’s verbal assent, as well as a summary of what the household is agreeing to.

To be a valid telephonic signature, the recorded verbal assent must be linked to the application itself. This is to ensure the state agency has ready access to the audio file containing the recorded verbal assent. Telephonic signature files must be retrievable and must also comply with federal records retention requirements. Other USDA requirements include:

- Effective safeguards against impersonation, identity theft and invasions of privacy;
- Not denying or interfering with the household’s right to apply in writing;
- Promptly providing a written copy of the complete application to the applicant, with instructions for a simple procedure to allow correction of any errors or omission;
- Considering the date of the verbal assent to be the date the application is signed.

State agencies that choose to use a third party should be aware that the telephonic signature files and related data stored on third-party hardware must be transferred to the state agency in a usable format should the third-party relationship with the state agency terminate. The third party cannot retain these records.

To implement telephonic signatures, it was determined that a call center would be necessary that is dedicated to the handling of applications. The costs related to telephonic signatures are estimated to total \$1,387,511 for FY 2018, and \$1,775,022 for FY 2019.

DCF currently offers an online application with electronic signature available, accounting for more than 30 percent of applications received. Paper applications can be downloaded from the public website or picked up at any of the DCF service centers across the state. DCF currently averages 8,000 applications for benefits per month. The only requirements to submit a SNAP application are name, address and signature. Any information needed that is not included on the application is discovered during the interview with the applicant. An interview is required for SNAP and TANF applicants. Of those applicants interviewed, about 60 percent are conducted over the phone and 40 percent come to the DCF service center to complete their interview.

ABAWD Waiver for Food Assistance

Federal SNAP work requirements for able-bodied adults without dependents (ABAWDs) were initially implemented as part of the 1996 welfare reform package. The law stated that ABAWDs would be eligible for SNAP benefits three out of every 36 months unless they met the mandated minimum work requirement of 20 hours per week or enrollment in a federally-approved job training program. The 2009 stimulus bill allowed all states to waive work requirements for ABAWDs. Since that time, states have individually been permitted to continue using the waiver if certain United States Department of Labor criteria were met. Kansas no longer meets the criteria because of its low unemployment rate. Individuals 18 to 49, who are capable of work, not pregnant and have no dependent children, are now required to meet the work program requirements to continue to receive food assistance.

Regrettably, SB 95 proposes to allow the state to request and implement an ABAWD waiver from the U.S. Department of Agriculture (USDA) in areas that have an unemployment rate of more than 10 percent or that do not have a sufficient number of jobs. The Kansas Department of Labor reported no Kansas counties have more than a 6.8 percent unemployment rate, as of December 2016, and three Kansas counties are currently listed as Labor Surplus Areas according to the U.S. Department of Labor. However, this point is not necessarily critical to the policy decision at hand. The federal work requirements for ABAWDs allow for enrollment in a federally-approved job training program. Thus, even if the nation falls into another recession and unemployment rates rise considerably, **ABAWDs who meet eligibility requirements and desire to qualify for food assistance will be able to do so through enrollment in a federally-approved job training program.** As detailed further below, these programs are found throughout the state and are readily available to help ABAWDs who cannot find a job.

The HOPE Act prohibited the State from implementing the ABAWD waiver because Kansas has chosen to emphasize employment-driven policies. We are confident that most Kansans would agree that ABAWDs should be required to work (or obtain job training) before they receive taxpayer-funded welfare benefits in the form of food assistance. While the concern is raised that insufficient jobs may be available or high unemployment may exist in certain parts of the state, this does not prevent ABAWDs from enrolling in job training and thereby becoming qualified for food assistance.

We believe that employment is the best option to help ABAWDs out of poverty. **Nearly half of the adults who cycled off the food assistance program because of the work requirements were employed the quarter following disenrollment. Within one year of the time limit being implemented, the incomes of these clients had more than doubled—an increase of 127 percent, on average.**

It is also worthwhile to note that ABAWD requirements do not apply to persons under age 18 (or 18 and still receiving TANF) or age 50 or over, persons medically certified as physically or mentally unfit for employment, persons responsible for the care of a dependent child in the food assistance household, women who are pregnant, persons

who claim responsibility for the care of an incapacitated household member, persons who are receiving unemployment compensation, a regular participant in an alcohol or drug addiction treatment and rehabilitation program, or a student enrolled at least half time (as defined by the school) in any recognized school (including a high school diploma or GED), training program, or institution of higher education. The student must be participating and making satisfactory progress in the GED education program. If the student is a post-high school student, he/she must also meet food assistance student eligibility criteria.

SB 95 proposes to exempt individuals, ages 18 to 21, who are aging out of the foster care system; homeless individuals, including homeless military veterans; ex-offenders and non-custodial parents. These groups are not listed as exempt persons in 7 C.F.R. § 273.7(b), § 273.24(c). In December 2016, 114 individuals, ages 18 to 21 years, who had aged out of the foster care system, were ABAWDs receiving food assistance benefits in Kansas. As of October 2016, Kansas had 9,325 ABAWDs receiving food assistance, with a total of 246,758 persons receiving food assistance.

A three-year, \$13.5 million USDA grant was awarded to DCF in March 2015 to expand the State's existing SNAP Employment and Training (E&T) program. This project, called Generating Opportunities to Attain Lifelong Success (GOALS), is designed to 1) increase the employment rates and earned income of food assistance participants; 2) reduce their reliance on public assistance; 3) engage employers and other partners in sustainable strategies for matching participants with labor market opportunities; and 4) complement partnerships among State agencies, workforce centers, community and technical colleges, service providers, and community-based organizations. Over the three-year pilot, approximately 4,000 food assistance recipients are to be randomly assigned to the GOALS program or to the more limited E&T program. As of Oct. 31, 2016, almost 20 percent of GOALS enrollees have been ABAWDs. The ABAWD client receives food assistance benefits while participating in the GOALS or E&T programs, and the ABAWD months are not used while participating.

ABAWDS are also referred to other programs for which they might meet eligibility while they are receiving food assistance. Under the Workforce Innovation and Opportunity Act (WIOA), adults and dislocated workers might be eligible for training through an approved training program, which is determined at local workforce centers through the Kansas Department of Commerce. These programs offer courses of instruction (through classroom contact or by distance education, or both) for the purpose of training people for business, trade, technical or industrial occupations or for courses leading to an academic degree. The workforce centers also offer job search and job-readiness classes.

Other programs include the Kansas Health Profession Opportunity Program (KHPOP) through the Kansas Department of Commerce. KHPOP provides healthcare education and training and is designed to help healthcare providers find the workforce they need. Accelerating Opportunity-Kansas (AO-K), is a partnership between the Kansas Board of Regents and the Kansas Department of Commerce. AO-K is a system for adult education that delivers career and technical education at the same time as adult basic

skills instruction within a career pathways framework. Students complete short-term certificate programs aligned with labor market needs, leading to industry-recognized credentials and immediate jobs.

Conclusion

We ask that you consider the success of welfare-to-work policies before seeking to repeal provisions of the HOPE Act. **Passing the SOAR Act will only lead to soaring reliance on public assistance for able-bodied adults, increased poverty for Kansas families, unnecessary burdens on taxpayers, and higher unemployment for our citizens.** Instead, we ask that you help us keep HOPE alive by assisting Kansans with finding new careers as they experience the dignity, independence and economic security gained through work. The vast majority of Americans support welfare-to-work policies. And Kansas is leading the way in this effort. Please do not allow the state to take a step back to the detriment of Kansas families.

DCF is opposed to the passage of SB 95. Thank you for the opportunity to address these important issues, and I am happy to answer any questions the committee may have.