



Strong Families Make a Strong Kansas

House Health & Human Services Committee

February 11, 2016

Testimony on:

HB 2600

Presented by:

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Kansas Department for Children and Families
Topeka, Kansas

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Chair Hawkins, Vice Chair Dove, Ranking Member Ward and Members of the Committee:

I am Sandra Kimmons, Director of Economic & Employment Services within the Kansas Department for Children and Families (DCF). Thank you for the opportunity to be here today, to talk about HB 2600.

DCF instituted several employment-focused policy changes in the 2015 Kansas Hope, Opportunity and Prosperity for Everyone (HOPE) Act that was signed into law in April, following overwhelming support in the Kansas Legislature. The Kansas HOPE Act was the most comprehensive welfare reform legislation passed by any state in the nation, and was designed to codify existing DCF reforms and enact additional measures to strengthen welfare to work policies. The 2016 provisions under consideration today in HB 2600 are a continuation of this comprehensive welfare reform. The reform measures promote system integrity and ensure appropriate and responsible use of taxpayer dollars. Additionally, the bill codifies some current policies to support work, which provides dignity and purpose to our clients. This legislation solidifies the agency's policies in statute, allowing for legislative input and transparency. The most effective path out of poverty is employment. These policy changes have proven effective—getting individuals back to work, helping them develop their skills to maintain employment, and giving them the tools they need to support their families.

Background**Supplemental Nutrition Assistance Program (SNAP)**

The United States Department of Agriculture's (USDA) Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp program, provides food benefits to qualifying low-income households with income up to 130 percent of the federal poverty level. Work requirements for able-bodied adults without dependent children (ABAWDs), ages 18 to 49, were included in the original Kansas HOPE Act that codified a 2013 agency policy change. The rate of employment of this group of people on SNAP tripled from July to September 2013, compared to February to April 2014. Additionally, nearly half of the adults who cycled off the program for 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. The average income among working able-bodied adults who left the program in December 2013 is now above the poverty line.

To build upon this remarkable progress for Kansans in need, the provisions in this year's act include work requirements for all non-exempt food assistance recipients. These requirements include work registration, participation in an assigned employment and training program, acceptance of a suitable employment offer, and not voluntarily quitting a job of at least 30 hours per week.

These policy changes improve people's lives, restoring to them the dignity and purpose of work.

Program Integrity

Lottery Winnings

HB 2600 will also give the DCF Secretary authority to crosscheck lottery winners receiving TANF cash assistance, food assistance and child care subsidy assistance. In an effort to ensure program integrity and provide assistance only when needed, lottery winners with prize winnings of more than \$10,000 in a month would be required to verify their income and resources to ensure they still meet eligibility criteria for assistance programs.

Replacement Cards

DCF will also monitor excessive benefit card replacements to make appropriate referrals to the agency's fraud investigation unit. Excessive replacements of the Kansas Benefits Card may be an indicator of an intentional program violation involving the individual's account. One purpose of the referral to the fraud investigative unit is to determine the nature and cause for the excessive replacement card requests and, if fraud is not suspected, to provide the household with education regarding how to properly manage its benefits card.

Assistance Applicant Identity Verification

The bill will require that all adults applying for assistance in the household verify their identity. Current policy only requires verification of the adult applying for the entire household. This will reduce fraud cases by ensuring that the individuals listed on the application are who they say they are. This will help ensure proper assistance planning and strengthen both program and data integrity.

Fraud Investigation Cooperation

Continuing the theme of strengthening program integrity, this bill will also require applicants and recipients to cooperate with fraud investigations. Additionally, the agency will be required to maintain a sufficient level of dedicated fraud investigative staff. These anti-fraud provisions protect taxpayers and benefits recipients alike. DCF recorded \$1,778,028 in total fraud judgments in FY 2014. In FY 2015, this number grew to \$3,232,555. It is important to build on this momentum to ensure that funds are only being allocated to those who truly qualify for benefits.

Technical Corrections

Finally, the bill includes several technical corrections, such as the number of TANF diversion months. Another correction applies to child care programs to support employment. The final correction allows the Secretary to monitor, enforce and recover assistance that was improperly acquired.

DCF is committed to being the best possible steward of the scarce public funds entrusted to the agency. By protecting these funds, we are furthering our mission, which includes strengthening families and encouraging personal responsibility. These program integrity changes will help facilitate those objectives and maintain the achievement of reducing the SNAP error rate from 3.66 percent in FY 2013 to .75 percent in FY 2014—making Kansas one of the most improved states in the country.

Conclusion

DCF stands in strong support of HB 2600. These policy changes further our efforts to both preserve program integrity and encourage employment through our benefits programs. It is our ultimate goal to help individuals move from poverty to prosperity through self-reliance.