

Office of the Secretary
555 S. Kansas Ave., 6th Floor
Topeka, KS 66603



Phone: (785) 296-3271
Fax: (785) 296-4985
www.dcf.ks.gov

Laura Howard, Secretary

Laura Kelly, Governor

June 28, 2019

VIA HAND DELIVERY

The Honorable Derek Schmidt
Attorney General of Kansas
Memorial Hall
120 SW 10th Ave., 2nd Floor
Topeka, KS 66612-1597

RE: EES Policy Memo 19-05-04, dated May 17, 2019

Dear General Schmidt:

We received your letter of June 25, 2019, regarding the captioned matter. Thank you for providing the Department for Children and Families ("DCF") the opportunity to respond to the legal issue raised. Please find attached a legal analysis from DCF's Acting General Counsel regarding K.S.A. § 39-709(b)(17(A)).

Should you have any additional questions, please do not hesitate to contact me.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Laura Howard".

Laura Howard
Secretary for the Department for Children and Families

cc: Governor Laura Kelly
Speaker Ron Ryckman
Minority Leader Tom Sawyer
President Susan Wagle
Minority Leader Anthony Hensley
Majority Leader Dan Hawkins
Majority Leader Jim Denning

MEMORANDUM

TO: The Honorable Derek Schmidt
Attorney General of Kansas

FROM: Corliss Scroggins Lawson,
Acting General Counsel

DATE: June 28, 2019

SUBJECT: EES Policy Memo 19-05-04, dated May 17, 2019

INTRODUCTION

In May, 2019, DCF's Economic & Employment Services ("EES") decided to use one exemption per month for July, August, and September for any able-bodied adults without dependents ("ABAWDs") who are ineligible to receive Supplemental Nutritional Assistance Program ("SNAP") benefits because of the 36-month time limitation and who are receiving benefits as of June 30, 2019 or reapply after May 20, 2019. The one-time extension was based on several factors: 1) 7 C.F.R. § 273.24 (g) allows discretionary use; 2) Kansas law does not prohibit such discretionary use; 3) October 1, 2019 starts the next 36-month time period for ABAWDs under SNAP; 4) the number of ABAWDs has dropped due to low unemployment; 5) the extension is limited to time-barred ABAWDs who are receiving benefits as of June 30 or who reapply for such benefits after May 20, 2019; and 6) ease of administration by not terminating individuals who are eligible again for SNAP benefits on October 1, 2019.

EES staff made the decision as an administrative action. It was not presented to the Governor before the posting of the May 17, 2019 EES Policy Memo 19-05-04. EES staff, after the passage of K.S.A. § 39-709(b)(17)(A), under the prior administration, had used the exemptions to correct errors discovered during a federal review. See Exhibit "A," <https://fns-prod.azureedge.net/sites/default/files/SNAP-ABAWD-Percentage-Exemption-Totals-FY2019.pdf>. For this reason, EES staff did not believe there was any prohibition against the discretionary use. Also, DCF's interpretation of K.S.A. § 39-709(b)(17)(A) has been that it applied only to the waiver under 7 C.F.R. § 273.24(f), as evidenced by [DCF's written testimony in support of the HOPE Act](#) (Exhibit "B") in 2015, [DCF's written testimony opposing a rollback of HOPE Act provisions, including the waiver, in 2017](#) (Exhibit "C") and DCF's written testimony recommending SNAP reforms in the federal Farm Bill in 2017 (Exhibit "D"). Since the "15 percent exemptions" were not mentioned in the testimony related to the HOPE Act, much less the statute, DCF has never construed K.S.A. § 39-709(b)(17)(A) as prohibiting the discretionary use of the 15 percent exemptions awarded to each state. The legal analysis that follows supports this interpretation.

LEGAL ANALYSIS

K.S.A. § 39-709(b)(17)(A) provides:

The secretary for children and families is prohibited from requesting or implementing a waiver or program from the U.S. department of agriculture for the time limited assistance provisions for able-bodied adults aged 18 through 49 without dependents in a household under the food assistance program. The time on food assistance for able-bodied adults aged 18 through 49 without dependents in the household shall be limited to three months in a 36-month period if such adults are not meeting the requirements imposed by the U.S. department of agriculture that they must work for at least 20 hours per week or participate in a federally approved work program or its equivalent.

The Legislature clearly intended to prohibit the DCF Secretary from requesting or implementing a waiver from the USDA that would extend the 36-month time period for ABAWDS. 7 C.F.R. § 273.24 (f) “Waivers” expressly states that “(1) General. On the request of a State agency, FNS may waive the time limit for a group of individuals in the State if we determine that the area in which the individuals reside: . . .” The key question is what was intended by the inclusion of “or program” in K.S.A. § 39-709(b)(17)(A). “Program” is not a defined term. *See* K.S.A. § 39-702. The Code of Federal Regulations pertaining to SNAP states: “Program means SNAP conducted under the Food and Nutrition Act of 2008 and regulations.” *See* 7 C.F.R. § 271.2. Thus, the Legislature’s use of the word “program” could not be the federal definition as it would not make sense to say the DCF Secretary is prohibited from requesting or implementing SNAP.

Given the uncertainty of the Legislature’s intent by including the phrase “or program,” the next question is whether it was intended to prevent discretionary use of exemptions under 7 C.F.R. § 273.24(g), which reads:

15 percent exemptions.

(1) For the purpose of establishing the 15 percent exemption for each State agency, the following terms are defined:

(i) Caseload means the average monthly number of individuals receiving SNAP benefits during the 12-month period ending the preceding June 30.

(ii) Covered individual means a SNAP recipient, or an applicant denied eligibility for benefits solely because he or she received SNAP benefits during the 3 months of eligibility provided under paragraph (b) of this section, who:

(A) Is not exempt from the time limit under paragraph (c) of this section;

(B) Does not reside in an area covered by a waiver granted under paragraph (f) of this section;

(C) Is not fulfilling the work requirements as defined in paragraph (a)(1) of this section; and

(D) Is not receiving SNAP benefits under paragraph (e) of this section.

(2) Subject to paragraphs (h) and (i) of this section, a State agency may provide an exemption from the 3-month time limit of paragraph (b) of this section for covered individuals. Exemptions do not count towards a State agency's allocation if they are provided to an individual who is otherwise exempt from the time limit during that month.

(3) For each fiscal year, a State agency may provide a number of exemptions such that the average monthly number of exemptions in effect during the fiscal year does not exceed 15 percent of the number of covered individuals in the State, as estimated by FNS, based on FY 1996 quality control data and other factors FNS deems appropriate, and adjusted by FNS to reflect changes in:

- (i) The State agency's caseload; and
 - (ii) FNS's estimate of changes in the proportion of SNAP recipients covered by waivers granted under paragraph (f) of this section.
- (4) State agencies must not discriminate against any covered individual for reasons of age, race, color, sex, disability, religious creed, national origin, or political beliefs. Such discrimination is prohibited by this part, the Food and Nutrition Act of 2008, the Age Discrimination Act of 1975 (Public Law 94–135), the Rehabilitation Act of 1973 (Public Law 93–112, section 504), and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d). Enforcement action may be brought under any applicable Federal law. Title VI complaints will be processed in accord with 7 CFR part 15.

[emphasis added]. First, 7 C.F.R. § 273.24(g) makes clear that discretionary use of the 15 percent exemptions is not a “program” from the USDA. In fact, the only mention of any “program” in 7 C.F.R. § 273.24 is in subsection (j) which reads: “Other Program rules. Nothing in this section will make an individual eligible for SNAP benefits if the individual is not otherwise eligible for benefits under the other provisions of this part and the Food and Nutrition Act of 2008.” Hence, “program” as used in the Code of Federal Regulations clearly refers to SNAP generally and not to either subsection (f) pertaining to “Waivers” or subsection (g) pertaining to “15 percent exemptions” neither of which is identified as a “program.” Thus, DCF disagrees with any suggestion that there are two “programs.” See June 25, 2019 Letter to Secretary Laura Howard from Derek Schmidt, p. 1, ¶ 3.

Second, under Kansas law, “[i]t is presumed the legislature understood the meaning of the words it used and intended to use them; that the legislature used the words in their ordinary and common meaning; and that the legislature intended a different meaning when it used different language in the same connections in different parts of a statute.” *Rogers v. Shanahan*, 221 Kan. 221, 224, 565 P.2d 1384 (1976). Also, “[i]t is presumed the legislature had and acted with full knowledge and information as to the subject matter of the statute, as to prior and existing law and legislation on the subject of the statute and as to the judicial decisions with respect to such prior and existing law and legislation. *Id.* at 225. See also *In re Adoption of G.L.V.*, 286 Kan. 1034, 190 P.3d 245 (2008). Like the “waiver,” the “15 percent exemptions” was federal law long before K.S.A. 39-709(b)(17)(A) was enacted. Therefore, the reasonable conclusion is that if the Legislature intended to prohibit such discretionary use, it would have stated “15 percent exemptions” instead of “or program.” It did not do so even though it was very clear about “waiver.”

Third, ascribing to “program” its ordinary and common meaning, the one-time grant of an additional three months of benefits does not fit. “Program,” in the context of social welfare benefits, is most often thought of as “a set of related measures or activities with a particular long-term aim.” See www.dictionary.com (program - “a plan of action to accomplish a specified end: a school lunch program”) or www.thefreedictionary.com (program – “A system of services, opportunities, or projects, usually designed to meet a social need: ‘Working parents rely on the center’s after-school latchkey program’”). The most logical interpretation of the Legislature’s use of “or program” is that it was forward-looking, intending to cover any new program the USDA might offer. In sum, K.S.A. § 39-709(b)(17)(A) is best read to prohibit the Secretary from requesting or implementing a waiver or any future USDA program to extend the 36-month time limitation but it does not prohibit discretionary use of the 15 percent exemptions. Again, this is a one-time extension, of a very short duration (*i.e.*, 3 months) given only to ABAWDs who are not eligible to receive the SNAP benefits because of the time limitation and who either are receiving benefits as of June 30, 2019 or reapply after May 20, 2019. ABAWDs who no longer are eligible to receive SNAP benefits due to the 36-month limitation whose eligibility ended prior to June 30, 2019 and who fail to apply will not receive the extension.

Finally, the strongest argument that the Legislature did not prohibit discretionary use of “15 percent exemptions” is its grant of authority to the Secretary to disburse and dispose of such exemptions in the code section immediately preceding K.S.A. § 39-709. K.S.A. § 39-708c, Powers and duties of secretary for children and families; community work experience programs; **disbursal of property including food stamps**; division of services for the blind...”, subsection (h) reads:

The secretary may receive, have custody of, protect, administer, disburse, dispose of and account for federal or private commodities, equipment, supplies and any kind of property, including food stamps or coupons, which are given, granted loaned or advanced to the state of Kansas for social welfare works, and for any other purposes provided for by federal laws or rules and regulations or by private devise, grant or loan, or from corporations organized to act as federal agencies, and to do all things and acts which are necessary or required to perform the functions and carry out the provisions of federal laws, rules and regulations under which such commodities, equipment, supplies and other property may be given, granted, loaned or advanced to the state of Kansas, and to act as agent of the federal government when designated as an agent, and do and perform all things and acts that may be required by the federal laws or rules and regulations not inconsistent with the act.

[emphasis added]. The “15 percent exemptions” clearly are a kind of property under the statute, which expressly includes “food stamps or coupons, which are given ... to the State of Kansas for social welfare works...” Thus, to construe K.S.A. § 39-709(b)(17)(A) as prohibiting discretionary use of the exemptions would contradict the express authority granted to the Secretary in K.S.A. § 39-708c.

K.S.A. § 39-709(b)(17)(A) specifically prohibits the Secretary from “requesting or implementing a waiver or program from the U.S. department of agriculture for the time limited assistance provisions for” ABAWDS under SNAP. The use of the “exemptions” for this one-time extension is not through either a request or implementation of a waiver or a program. The Secretary is disbursing/disposing of property (exemptions) given to the State of Kansas for social welfare works by electing to use one exemption per month for the next 3 months to certain ABAWDs who otherwise would be ineligible to receive such benefits, a permitted use under both Kansas and Federal law. The Legislature’s use of “or program” was intended to cover any other request a state might be able to make in the future to the USDA for any set of measures or activities with a particular long-term aim of extending the time limitation for ABAWDs beyond the 36-month time limit. The Legislature’s inclusion of the second sentence in K.S.A. § 39-709(b)(17)(A) is a mere restatement of the federal law it was referencing. Even it does not lead to the conclusion that its inclusion was intended to prohibit discretionary use of the “15 percent exemptions” as that statement of federal law is the exact target of 7 C.F.R. § 273.24(g), which defines a covered individual as a “SNAP recipient, or an applicant denied eligibility for benefits solely because he or she received SNAP benefits during the 3 months of eligibility provided under paragraph (b) of this section, who ...” In other words, the “15 percent exemptions” are specifically reserved for SNAP recipients, or applicants denied eligibility for benefits solely because they received SNAP benefits during the 3 months of eligibility and who: 1) are not exempt from the time limitation; 2) do not reside in an area covered by a waiver; 3) are not meeting the work requirements; and 4) are not receiving SNAP benefits under the additional 3-month eligibility provided for in 7 C.F.R. § 273.24(e). See 7 C.F.R. § 273.24(g). As noted in the Introduction, DCF’s construction is supported by past DCF practice and the historical background pertaining to K.S.A. § 39-709(b)(17)(A). See *In re Adoption of G.L.V.*, 286 Kan. 1034, 1041, 190 P.3d 245, 252 (2008) quoting *Robinett v. The Haskell Co.*, 270 Kan. 95, 100-01, 12 P.3d 411 (2000) (“where ‘the face of the statute leaves its construction uncertain, the court may look to the historical background of the enactment, the circumstances attending its passage, the purpose to be accomplished, and the effect the statute may have under the various constructions suggested”).

CONCLUSION

We trust the foregoing legal analysis addresses the issue raised in your letter of June 25, 2019, regarding the same and thank you for the opportunity to respond. If we can be of further assistance, please do not hesitate to let us know.



Food and
Nutrition
Service

Park
Office
Center

3101 Park
Center
Drive

Alexandria
VA, 22302

Date: March 22, 2019

SUBJECT: Supplemental Nutrition Assistance Program – Able-Bodied Adults Without Dependents Percentage Exemption Totals for Fiscal Year 2019

To: Regional Directors
Supplemental Nutrition Assistance Program
All Regions

Section 6(o) of the Food and Nutrition Act of 2008 (the Act) limits the amount of time an able-bodied adult without dependents (ABAWD) can receive Supplemental Nutrition Assistance Program (SNAP) benefits to 3 months in any 36-month period, unless the individual meets the ABAWD work requirement or is otherwise exempt.

The Act also provides each State agency with an annual allocation of exemptions from the time limit for ABAWDs, calculated based on a percentage of the ABAWDs subject to the time limit in the State. Each fiscal year (FY), the Food and Nutrition Service (FNS) estimates the number of exemptions that each State must be allotted and adjusts the total number of exemptions available to each State. For FY 2019, States have been allotted an amount based on 15 percent of the ABAWD population. The Agriculture Improvement Act of 2018 changed this amount to 12 percent for FY 2020 and each subsequent fiscal year.

This memorandum adjusts the total number of exemptions available to each State for FY 2019, as shown in the table on the next page. Please note that the totals do not account for any exemption usage in FY 2019 (those figures must be reported in final by States on the Form FNS-583, due 45-days after the end of the FY.)

FNS reminds States that for Quality Control purposes exemptions must be documented in the case file prior to monthly sample selection.

FNS has proposed regulations that would end the unlimited carryover and accumulation of unused exemptions by changing the adjustment calculation at 7 CFR 273.24(h). FNS will provide guidance on the specific impacts of this change after the rule is finalized.

Please distribute this memorandum to your States as soon as possible. If you have any questions, please contact Casey McConnell at Casey.McConnell@fns.usda.gov.

/s/

Sasha Gersten-Paal
Chief
Certification Policy Branch
Program Development Division

Table 1: ABAWD Percentage Exemption Totals for FY 2019

State	Total Available for FY 2019	New Earned for FY 2019	Used in FY 2018	Total Available in FY 2018
Alabama	205,593	46,788	0	158,805
Alaska	9,466	0	0	9,466
Arizona	119,195	22,776	234	96,653
Arkansas	110,139	19,824	1,875	92,190
California	866,894	0	0	866,894
Colorado	41,870	11,208	12,428	43,090
Connecticut	39,119	11,508	6	27,617
Delaware	69,578	5,172	0	64,406
District of Columbia	0	0	0	0
Florida	497,166	168,816	2,344	330,694
Georgia	112,059	38,184	4,477	78,352
Guam	3,472	0	0	3,472
Hawaii	68,243	11,796	2,580	59,027
Idaho	45,320	6,672	0	38,648
Illinois	58,368	8,964	1,937	51,341
Indiana	195,873	29,436	3	166,440
Iowa	116,131	13,044	8	103,095
Kansas	58,990	7,608	148	51,530
Kentucky	83,468	40,512	5	42,961
Louisiana	12,820	0	0	12,820
Maine	52,704	11,964	0	40,740
Maryland	39,382	14,244	0	25,138

State	Total Available for FY 2019	New Earned for FY 2019	Used in FY 2018	Total Available in FY 2018
Massachusetts	82,253	26,352	4,535	60,436
Michigan	501,381	30,036	5,612	476,957
Minnesota	150,209	16,152	15,776	149,833
Mississippi	149,236	30,432	1,563	120,367
Missouri	158,700	50,628	0	108,072
Montana	42,119	4,992	362	37,489
Nebraska	65,314	7,164	6,580	64,730
Nevada	59,366	0	0	59,366
New Hampshire	7,813	1,620	407	6,600
New Jersey	110,522	10,596	797	100,723
New Mexico ¹	-1,868	0	0	-1,868
New York	185,134	73,152	61,997	173,979
North Carolina	190,359	57,144	0	133,215
North Dakota	17,848	2,340	884	16,392
Ohio	328,706	60,360	0	268,346
Oklahoma	338,934	32,844	2,631	308,721
Oregon	140,695	32,796	22	107,921
Pennsylvania	160,276	27,420	18,759	151,615
Rhode Island	8,158	36	252	8,374
South Carolina	82,413	25,452	0	56,961
South Dakota	10,603	2,016	1,343	9,930

¹ New Mexico overused 15 percent exemptions in the first and second quarters of FY 2009. The State has had waivers since that time and therefore has not earned any exemptions since that time. The State cannot use 15 percent exemptions until its negative balance is eliminated.

State	Total Available for FY 2019	New Earned for FY 2019	Used in FY 2018	Total Available in FY 2018
Tennessee	139,266	68,484	2,471	73,253
Texas	2,026,175	180,864	45,577	1,890,888
Utah	35,819	5,676	609	30,752
Vermont	19,086	5,136	694	14,644
Virgin Islands	3,948	0	0	3,948
Virginia	378,926	35,112	382	344,196
Washington	34,114	13,872	924	21,166
West Virginia	136,039	12,036	286	124,289
Wisconsin	128,252	26,184	60	102,128
Wyoming	34,014	2,052	0	31,962



Strong Families Make a Strong Kansas

Senate Public Health and Welfare Committee

March 5, 2015

Testimony on:

SB 256

Presented by:

Jaime Rogers

Interim Deputy Secretary of Family Services

Kansas Department for Children and Families

Andrew Wiens, Deputy Secretary of Operations & Public Affairs
Docking State Office Building, 6th Floor North
(785) 296-3271 www.dcf.ks.gov

Testimony of:

Jaime Rogers, Interim Deputy Secretary of Family Services
Kansas Department for Children and Families
Topeka, Kansas

Testimony on:

SB 256, Kansas Hope, Opportunity and Prosperity for Everyone (HOPE) Act

Chairman Pilcher-Cook, Vice-Chair O'Donnell, Ranking Member Kelly and Members of the Committee:

Thank you for the opportunity to provide testimony in support of SB 256.

The Kansas Department for Children and Families (DCF) has instituted several employment-focused policy changes since 2011 that have helped struggling Kansans move from poverty to prosperity. The most effective path out of poverty is employment. Our 2011 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.

SB 256 proposes to solidify the agency's policy changes in statute, to ensure transparency and allow for legislative input. The bill also proposes three new policy initiatives aimed at furthering our mission to protect children, promote healthy families and encourage personal responsibility. The legislation also repeals outdated statutes.

Background

In 1996, Congress passed and President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), which created the Temporary Assistance for Needy Families (TANF) program. This welfare to work legislation was the largest reform in America's welfare system history, and at its core was a work requirement for all able-bodied parents. For the first time, welfare was managed like a work program where individuals were required to work or participate in work components to be eligible. The nation saw huge reductions in the welfare rolls, historic levels of employment and low rates of child poverty, not seen in years. Low-income Americans gained independence from dependency that had plagued families for multiple generations. Through the dignity of work, these individuals were given a path to self-sufficiency and ultimately the opportunity for success.

In 2011, Kansas' TANF work programs were lagging behind. The success other states had experienced after the welfare to work bill passed had not materialized in Kansas. In fact, Kansas had performed so poorly compared to other states following the passage of

the 1996 welfare to work bill that we had received an 'F' grade from the Heartland Institute in its state-by-state analysis.

The agency set out to reform the Kansas welfare system to better aid recipients to successfully move to self-sufficiency by implementing policies that encourage and emphasize work. The TANF caseloads have been reduced significantly since 2011, and individuals are successfully leaving the welfare rolls and moving into full-time employment. In fact, 27,921 TANF recipients reported new employment from January 2011 through July 2014. DCF enacted these employment-focused reforms without changing income eligibility guidelines. The agency also initiated a business model redesign that made it easier on individuals to receive benefits, decreasing our average eligibility determination from 30 days to fewer than 10 days.

Temporary Assistance for Needy Families (TANF)

TANF is designed to be a bridge from welfare to work, as set out in the 1996 law. It is a time-limited cash benefit welfare program that requires work as a condition of eligibility. All adult TANF recipients are required to take part in work activities, as mandated by federal rules and regulations. Participation rates of the TANF work programs must meet federal standards or the TANF block grant dollars are at risk.

Current TANF Policies Included in SB 256:

At the time of application, TANF applicants are required to open a KANSASWORKS account and complete a reading assessment. The client is immediately given an individualized plan for employment. Failure to complete the registration and assessment leads to a denial of TANF benefits.

TANF clients are also required to actively participate in work components that lead to competitive, integrated employment, such as full or part-time employment, on-the-job training, and job search/job readiness. Through intensive, individualized case management, the agency has been successful in assisting clients obtain work in high-demand occupations. Short-term training programs for clients in high-demand occupations have the real-life effect of changing a family's financial future. For example, by completing a six-to-eight week training program in truck driving, a TANF client immediately found a job starting around \$55,000 per year with full benefits.

Non-cooperation with TANF work programs and child support services will result in a time-specific forfeiture of benefits. Timing of forfeiture will be tiered and dependent upon the number of offenses: the first instance of non-cooperation will result in three months forfeiture; second non-cooperation, six months; third non-cooperation, one year; and a fourth non-cooperation will result in 10 years forfeiture. Most states which impose similar sanctions see a reduction in non-cooperation offenses.

Parents with a child under three months of age are exempt from the TANF work participation requirement. Persons with disabilities are required to participate in work activities to the extent consistent with their disabilities.

To reflect the original intent of the stopgap program to provide temporary assistance to families, the lifetime limit for TANF benefits was reduced. This policy change allows us to work closely with individuals to assess their skills and help them obtain and keep employment in less time. The 60-month lifetime limit was reduced to 48-months, with hardship exemptions for those families with extenuating circumstances that prevent them from finding employment. The average TANF client in Kansas receives benefits for 14 months.

As an option to families who need emergency help to keep or obtain employment, families are now able to receive a one-time diversion payment of \$1,000 to solve emergency hardship situations. To be eligible to receive the diversion payment, clients must agree to forego entry into the TANF program for a 12-month period.

To bring fairness and accountability into the TANF and Child Care Assistance programs, individuals who knowingly and deliberately commit fraud lose eligibility permanently. Assistance to children in the home may be continued under a third party, protective payee.

To provide equal treatment to all TANF and Child Care Assistance households, income in the household is now included, regardless of marital status.

In accordance with federal regulations, Kansas Benefits Card holders are no longer allowed to purchase adult entertainment in which performers disrobe, alcohol, cigarettes, tobacco products or lottery tickets with the cash portion of their benefit card.

Child Care Assistance

The Child Care Assistance program is an income-based program that provides a child care subsidy to low income, working families (up to 185 percent of the federal poverty level). The amount of the subsidy is based on income and number of children, with most families paying a partial share of the cost.

Current Child Care Assistance Policies Included in SB 256:

Studies show that the most effective way to move people out of poverty is to get them into full-time employment. To encourage full-time employment and self-sufficiency, this bill requires child care subsidy recipients to be employed a minimum of 20 hours per

week, with flexibility for more required hours at the Secretary's discretion. DCF currently requires child care subsidy recipients to work 28 hours per week.

In an effort to assist post-secondary students, DCF now provides up to 24 months of child care subsidy for the pursuit of any degree or certification up to and including a bachelor's degree if the occupation has at least an average job outlook listed in the Occupational Outlook of the U.S. Department of Labor, Bureau of Labor Statistics. For occupations with less than an average job outlook, educational plans require DCF approval.

Post-secondary students must be employed a minimum of 15 hours per week and earn at least the federal minimum wage per hour to be approved for child care for their educational plan.

As with the TANF program, Child Care Assistance recipients are required to cooperate with child support services. Non-cooperation with child support services will result in time-specific forfeiture of benefits. Timing of forfeiture will be tiered and dependent upon the number of offenses: the first instance of non-cooperation will result in three months forfeiture; second non-cooperation, six months; third non-cooperation, one year; and a fourth non-cooperation will result in 10 years forfeiture.

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.

Current SNAP Policies Included in SB 256:

In 2011, DCF removed the unequal and discriminatory policy that had prorated a portion of the household income for households that included individuals who could not or would not provide proof of their citizenship. Federal law prohibits illegal immigrants from qualifying for welfare benefits; therefore, individuals who refuse to provide proof of their citizenship are ineligible to receive SNAP. This policy change resulted in citizen and non-citizen households' income levels being treated equally, and removed the discriminatory policy that gave non-citizen households an unfair advantage over citizen households.

SB 256 prohibits DCF from implementing broad-based categorical eligibility in Kansas. The broad-based categorical eligibility option allows states to automatically put individuals on SNAP if they are currently eligible for TANF programs. Many states have exploited this as a way to increase participation in the SNAP program. To eliminate the opportunity for fraud, SB 256 removes the option for broad-based categorical eligibility.

Federal law requires that able-bodied adults without dependents (ABAWD) meet work requirements as a condition of eligibility to the SNAP program. The 2009 stimulus bill allowed states to waive work requirements for ABAWDs. Since that time, states have individually been permitted to continue using the waiver if certain U.S. Department of Labor criteria are met. Kansas no longer meets those criteria because of its low unemployment rate.

SB 256 prohibits the agency from requesting or implementing any waiver that would weaken the federally-mandated work requirement for ABAWDs to ensure that able-bodied adults continue to meet the federal work requirement of a minimum of 20-hours per week of work or participate in a federally-approved work program.

SB 256 also includes language that reflects new federal law prohibiting federal or state funds to be used for recruitment onto the SNAP program. The Agricultural Act of 2014 eliminated the use of federal funding for television, radio and billboard ads, and prohibits the USDA and states from entering into cooperative agreements with foreign governments to promote SNAP.

Proposed Statutes to Repeal

SB 256 proposes to repeal the statutes in reference to the following programs that no longer are funded or operational: General Assistance, Transitional General Assistance and KanWorks programs.

The mandate is removed that requires DCF to apply to the federal government for the approval to implement electronic benefits transfers. This statute is outdated and no longer necessary, as DCF implemented the use of electronic benefits transfers in the 1990s.

The final repeal concerns statutes under which DCF would establish and operate child care centers. This is also an outdated statute that should be removed to better represent agency operations that do not include operation of child care centers.

New Policies Proposed

The agency is proposing three new policy initiatives in SB 256. These policies are a continuation of the employment focused policies the agency has implemented over the last four years.

SNAP Client Cooperation with Child Support Services

As the TANF and Child Care Assistance programs already mandate, the proposed policy would add the requirement that SNAP adult recipients cooperate with child support services. This will result in increased child support payments to custodial

families. DCF estimates that this policy change will impact 19,900 cases and will phase in the requirement over time to minimize the caseload impact for staff.

Federal Drug Convictions, SNAP Eligibility

Federal law prohibits convicted drug felons from participation in the SNAP program. This proposed policy change merely reflects that requirement in our statutes. SB 256 permanently disqualifies individuals from SNAP eligibility if they have been convicted of a state or federal felony offense involving the possession, use or distribution of a controlled substance after July 1, 2015.

Non-allowable Locations, TANF Benefits

This portion of SB 256 states that TANF recipients would be prohibited from using cash assistance for sexually-oriented adult materials, in sexually-oriented businesses, or in any business or retail establishment where minors under age 18 are not permitted. This restriction on cash benefit usage is added to the restriction on strip clubs, alcohol, cigarettes, tobacco products and lottery tickets.

Conclusion

DCF stands in strong support of SB 256. DCF is committed to helping individuals bridge the gap between poverty and full-time employment. These policy changes allow us to do just that. Providing needed support and assisting our clients to become employed, we offer them the opportunity to lift themselves and their families out of poverty. Generational poverty is a serious problem plaguing Kansas. By empowering individuals to escape that path, we are helping generations to come.

I would like to share with you the experience of a Topeka family that has benefited greatly from our employment programs. DCF has developed a training program with Foley Manufacturing in Topeka for TANF recipients and Rehabilitation Services clients. In the first class, one of the TANF clients completed the program with a backhoe operator's certification, a scissor lift certification and a first aid/CPR certification. He was able to secure a full-time construction job making \$14.50 per hour. His wife was also able to gain employment with the help of the Topeka work program. This hard-working couple is making a combined income of close to \$30 per hour, and has gone from being dependent on welfare services to a life of independence and self-sufficiency for themselves and their two children. This story illustrates how employment-focused programs can change lives and provide hope to families.

Thank you for the opportunity to address the committee on this important piece of legislation. I am happy to stand for questions.



Department for Children
and Families

Strong Families Make a Strong Kansas

Senate Public Health and Welfare
Committee:

February 7, 2017

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

Testimony by:

Phyllis Gilmore

Secretary

Kansas Department for Children and Families

Andrew Wiens, Director of Policy and Legislative Affairs
DCF Administration Building, 6th Floor
(785) 291-3629 andrew.wiens@ks.gov
www.dcf.ks.gov

Testimony of:

Phyllis Gilmore, Secretary
Kansas Department for Children and Families

Testimony on:

SB 95, Amendments to Public Assistance Requirements and Benefits (SOAR Act)

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.



Department for Children
and Families

Strong Families Make a Strong Kansas

U.S. Senate Committee on Agriculture,
Nutrition, & Forestry

March 2, 2017

**Reforms Needed in the Supplemental
Nutrition Assistance Program (SNAP)**

Phyllis Gilmore

Secretary

Kansas Department for Children and Families

Andrew Wiens, Director of Policy and Legislative Affairs
DCF Administration Building, 6th Floor
(785) 291-3629 andrew.wiens@ks.gov
www.dcf.ks.gov

Thank you for the invitation to share the Kansas model for SNAP reforms and provide recommendations for federal reforms on behalf of the Kansas Department for Children and Families (DCF). Under the leadership of Governor Sam Brownback, the State of Kansas has focused on reforming welfare programs since 2011, to provide Kansans with greater opportunities for a prosperous future. We appreciate the opportunity to supply you with information about DCF's efforts to encourage self-reliance. Information provided highlights our emphasis on food assistance program integrity, work requirements and the responsible use of taxpayer dollars in the Supplemental Nutrition Assistance Program (SNAP).

Background

The United States Department of Agriculture (USDA) regulates SNAP, formerly known as the Food Stamp program, which provides food benefits to qualifying low-income households with income up to 130 percent of the federal poverty level. In Kansas, SNAP is referred to as Food Assistance. SNAP benefits are federally-funded, with the State matching the administrative costs at a 50-percent rate. The program is heavily regulated, with states provided few options to tailor the program according to the needs of their individual populations. Recent discussions about block granting the program are encouraging, as this option would provide flexibility needed by states to innovate and best serve their own residents.

Through welfare reforms in Kansas, we have made a multitude of improvements in programs such as SNAP, as allowed by federal and State law.

Kansas HOPE Act (2015)

DCF and the Kansas Legislature instituted several employment- and integrity-focused policy changes in the 2015 Kansas Hope, Opportunity and Prosperity for Everyone (HOPE) Act. This bill was signed into law during the 2015 legislative session, following overwhelming support in the Kansas Legislature. The Kansas HOPE Act is 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 promote system integrity and strengthen welfare-to-work policies. The provisions of the legislation helped to ensure appropriate and responsible use of taxpayer dollars, support work and restore dignity and purpose to our clients. The most effective path out of poverty is employment, and these policy changes have proven effective. The reforms have helped individuals get back to work, develop their skills to maintain employment, and provided them the tools they need to support their families.

A summary of the HOPE Act may be found in Appendix I; however, a number of the SNAP reforms codified in this legislation bear mentioning here:

- The bill specifically prohibits the State of Kansas from adopting the USDA option of "broad-based categorical eligibility," which expands SNAP eligibility and assistance beyond its intended bounds.
- The legislation also prohibits the use of federal or State funds for advertising to promote SNAP participation.
- Additionally, the bill prohibits DCF from requesting or implementing the USDA waiver that would relax federal law regarding time limits for employable adults with no dependents.
- The Kansas HOPE Act establishes a requirement that SNAP adult recipients must cooperate with child support and work program requirements.

- The bill enacts a policy that is more closely aligned with federal law regarding SNAP benefits and convicted drug felons. It states that an individual shall be permanently disqualified if he/she has been convicted of a State or federal felony offense occurring on or after July 1, 2015, involving possession or use of a controlled substance. An individual shall be eligible for SNAP if the individual enrolls in and participates in a drug treatment program approved by the Secretary, submits to and passes a drug test and agrees to submit to drug testing if requested by DCF. If an individual is convicted of a drug felony a second time on or after July 1, 2015, then the individual will be permanently disqualified from receiving SNAP. Any family members will continue to receive SNAP if otherwise eligible.
- Adults convicted of fraud are no longer eligible to be named an authorized representative of a SNAP household.
- The legislation states that, when determining eligibility for benefits, one motor vehicle owned by the applicant for assistance (regardless of the value) is considered exempt personal property. Equity in any boat, personal water craft, recreational vehicle, recreational off-highway vehicle or all-terrain vehicle, or any additional motor vehicle owned by the applicant, is a non-exempt resource of the applicant. However, any additional motor vehicle used by the applicant (or spouse or cohabiting partner), for the primary purpose of earning income, may be considered exempt personal property at the Secretary's discretion.
- The Kansas HOPE Act states that a photograph of the recipient (or parent/guardian of a child) of assistance shall be placed on any Kansas Benefits Cards upon opt-in of the recipient. The card may serve as valid ID for voting purposes as well.
- The bill prohibits DCF from applying gross income standards for SNAP that are higher than the standards specified in 7 U.S.C. 2014(c), unless expressly required by federal law. In addition, categorical eligibility exempting households from such gross income standards requirements shall not be granted for any non-cash, in-kind or other benefit unless expressly required by federal law.
- Finally, the bill requires the agency to conduct an electronic check for any false information provided on an application for benefits programs administered by DCF.

Kansas HOPE Act 2.0 (2016)

After making tremendous progress to reform welfare programs in 2015, lawmakers introduced additional reforms to further promote employment-driven poverty solutions during the 2016 legislative session. In May 2016, the Kansas HOPE Act 2.0 bill passed both legislative chambers and was signed by Governor Sam Brownback. A summary of HOPE 2.0 may be found in Appendix II. Several of the SNAP-related provisions are detailed below:

- HOPE 2.0 requires DCF to crosscheck winners of a lottery prize of \$5,000 or more with benefits rolls for Temporary Assistance for Needy Families (TANF), SNAP, and Child Care Assistance. Recipients who are identified by means of this crosscheck would be required to verify their income and resources.
- The bill states that DCF shall verify the identity of all TANF, SNAP and Child Care Assistance adults in the assistance household. Current policy only requires verification of the adult who is applying for the entire household.
- The bill codifies agency policy regarding the monitoring of excessive benefit card replacements, including referrals to the agency's Anti-fraud Unit after five card replacements in a 12-month period.
- HOPE 2.0 also codifies USDA work requirements for SNAP applicants and recipients, including registering for work, participating in an available employment

and training program, not voluntarily quitting current employment of at least 30 hours per week, and accepting a suitable offer of employment.

- Finally, the legislation also provides greater clarification regarding the ability of DCF to monitor, enforce and recover assistance knowingly purchased, received, transferred, sold, acquired or possessed by anyone except as authorized by controlling statutes, regulations and policies.

The Kansas HOPE Act shows that DCF will continue to lead the way in the nation pursuing policies that promote employment and strengthen program integrity.

Kansas SNAP Reforms

There are several reforms that Kansas has enacted under the limited options provided to states that serve to encourage work and strengthen program integrity.

Federal ABAWD Waiver

The federal SNAP work requirements were initially implemented as part of the 1996 welfare reform package. The law states that able-bodied adults without dependents (ABAWDs) are eligible for SNAP benefits for three out of every 36 months, unless they meet the mandated work requirement, which is a minimum of 20 hours per week of work or enrollment in a federally-approved job training program. Individuals 18 to 49, who are capable of work, not pregnant and with no dependent children, are required to meet these program requirements to receive SNAP. The USDA waiver, broadly implemented in states during the Great Recession, removed the work requirement for ABAWDs. The State of Kansas rejected this waiver and restored these work requirements in October 2013. Able-bodied adults who did not meet the work requirement began cycling off the program in January 2014.

DCF worked with the Kansas Department of Labor (KDOL) to track earnings and employment data of ABAWDs after the work requirements were restored. The Foundation for Government Accountability (FGA) did an analysis of this (de-identified) data, an executive summary of which may be reviewed in Appendix III. FGA is a nonprofit, nonpartisan, 501c(3) organization that “promotes better lives for individuals and families by equipping policymakers with principled strategies to replace failed health and welfare programs nationwide.”

Lower Caseloads

Generally speaking, the data shows the SNAP program has lower caseloads because half of able-bodied adults cycled off of the program within three months of restoring the work requirement. Able-bodied adult enrollment is nearly 70 percent lower today than it was immediately before restoring this work requirement. In November 2013, the number of ABAWD recipients was 27,224. In November 2015, that number had decreased to 7,511. DCF also found higher work participation for able-bodied adults on food assistance. The rate of those working nearly tripled after restoring work requirements (comparing ABAWDs in July to September 2013, versus February to April 2014). Nearly half of all able-bodied adults who cycled off the program were employed the following quarter. In addition, the average income among working ABAWDs who left the program in January 2014, is now above the poverty line. Some other results of these changes to the SNAP program have been positive as well. Kansas’ SNAP payment error rate declined from 3.99 percent to .75 percent from fiscal year 2013 to 2014. Total State and federal administrative costs declined by 7.39 percent in Kansas, while the national average rose by 5.27 percent in state fiscal year 2014.

To our knowledge, Kansas is the only state to statutorily prohibit this work-discouraging waiver (via the HOPE Act). Kansans have experienced truly positive life outcomes as a result of this policy change. Kansas is sending the message that we prioritize employment, rather than paying individuals not to work. Individuals in Kansas and across the nation, overwhelmingly support work requirements for welfare recipients who are capable of work.

Non-citizen Income Counted

DCF also requires the income of non-citizens to be counted when determining SNAP benefits (this was codified in the HOPE Act). Although ineligible non-citizens cannot receive SNAP benefits, their income and resources are relevant to the SNAP determinations for other eligible individuals who live in their households. Non-citizens who are unable or unwilling to provide immigrant documentation now have their income and resources counted for the remaining family members. Previously, only a pro-rata share was counted. In some situations, this allowed for a family with all U.S. citizens not to be eligible for SNAP, while the immigrant family was eligible. This is a common sense policy change that treats citizens and non-citizens more fairly and removes the special treatment for non-citizens.

An End to SNAP Participation Recruitment

The State of Kansas stopped accessing USDA Outreach funds formerly used to recruit individuals to apply for SNAP. DCF believed that individuals were more than aware of the existence and availability of this 30-year-old program. More recently, the HOPE Act forbade DCF from using federal or State funds for SNAP recruitment.

Child Support Cooperation

Cooperation with Child Support Services is now required for those receiving SNAP benefits. This provision was codified in the HOPE Act. Child support benefits are provided to families and allow for additional family income when received. After reviewing six months of payment history, the households that had originally not cooperated received an increase of almost 39 percent in child support—a total of \$664,509. In reviewing SNAP households that received a disqualification notice July 2016 through January 2017 absent parents for 3,094 households paid a total of \$1,386,872. In the 6 months following receipt of the notice, a total of \$1,576,557 in payment was made. This was a dollar increase of \$189,685 and represented an increase of 13.7%.

Cooperation with child support could include a custodial parent sharing information about the presumed father of a child (when it is safe to do so), or a non-custodial parent cooperating with Child Support Services on a payment plan, for example.

Vehicles Factored into Eligibility

For several years, all vehicles were exempted from counting toward the resource limit in Kansas. This resulted in families with recreational vehicles (not needed to provide transportation to work or medical appointments) to own these luxury items and simultaneously receive assistance from the taxpayers. These vehicles included boats, personal water crafts, all-terrain vehicles, etc. Although there are exempted vehicles (for work and medical use), all vehicles are now included in calculating the resources of the applicants. This provision was also codified in the HOPE Act.

Categorical Eligibility

As discussed previously, the Kansas HOPE Act prohibits Kansas from enacting broad-based categorical eligibility. Although Kansas currently uses the traditional eligibility method

as an efficiency, households are now statutorily prohibited from being categorically eligible for SNAP because they qualify for a non-cash TANF or Maintenance of Effort-(MOE) funded benefit, such as receiving a pamphlet or being provided an 800 number. This broad-based categorical eligibility practice dilutes the integrity of the SNAP program.

Drug Felony Convictions

Again, the State of Kansas, via the HOPE Act, has opted in to disqualify people from SNAP participation if they have been convicted of a State or federal drug felony (CFR 273.11(m)). Kansas adopted a second chance policy: for the first felony drug conviction, the individual is still eligible for benefits if he/she completes a drug treatment program. After a second offense, the individual is no longer eligible for food assistance benefits.

SNAP Program Savings

Other actions taken by the State of Kansas have resulted in savings to the SNAP program. When the benefits transitioned to an electronic method of issuance, the State began issuing the benefits cards in the local offices. This resulted in high administrative costs in staffing, compromised security of the cards, shipping, storage and local mailing costs. Our Electronic Benefit Transfer (EBT) vendor, FIS, was able to offer direct mailing of the cards, which greatly reduced the number of cards issued. The reissuance rate dropped 40 percent, while cards were still issued timely to recipients. Beginning in April 2016, Kansas also adopted a new option of allowing clients to suspend a lost EBT card while the individual tries to find it. This new option is designed to both decrease card replacements and add additional account security for cardholders.

Anti-fraud Protection

Our EBT vendor provides us with a product called "Fraud Navigator" that allows for additional monitoring of EBT cards. It also allows for data to be reported for questionable uses of the card. The detailed transaction history can then be used to provide referrals to the agency's Anti-Fraud Unit. Fraud Navigator allows our staff to create rules and flags that generate alerts when certain suspicious conditions are met. One example of this process, which cannot be discussed in detail for obvious reasons, resulted in the closure of more than 1,200 cases of individuals who were not Kansas residents. Thus, this program assists Kansas staff in detecting and stopping fraud early in the process to avoid improper use of benefits.

Other Kansas Benefits Card security measures are also in place to ensure the State adheres to federal and State TANF restrictions. These measures impact SNAP as well, due to the fact that both TANF cash assistance and SNAP food assistance (as well as Child Care subsidy) benefits are stored on the EBT cards. TANF cash withdrawals are restricted by the location of the ATM machine; cash purchases are blocked by merchant category codes; and EBT purchases are transacted in a closed-loop system requiring a USDA Food and Nutrition Service (FNS) retailer number. Therefore, only a business possessing a USDA/FNS retailer ID number associated with its point of sale (POS) machines can conduct SNAP or TANF cash purchases. The EBT system includes monthly reports that are reviewed separately and in combination, focused on trafficking indicators. EBT staff forwards detailed transaction data to our Anti-Fraud Unit, as appropriate.

DCF monitors excessive manually-keyed transactions and requests that clients replace the non-working (or trafficked) card. If no action is taken by the client to replace the card, the agency automatically cancels the card and issues a new card to the client. In addition, card

replacements are monitored so that DCF can notify the client when four cards have been issued in a 12-month period. Referrals are automatically made to the Anti-Fraud Unit for clients who request a fifth card in a 12-month period. Staff also monitors excessively large transactions via alerts, for potential trafficking concerns.

Appendix IV shows some of the impact these SNAP policy changes have had on SNAP caseloads and expenditures in Kansas. As previously discussed, the HOPE Act and HOPE Act 2.0 legislation means that some new changes are being implemented: a crosscheck of lottery winners against a list of assistance recipients for those winning more than \$5,000 (more than 15 public assistance recipients have been identified with winnings of \$5,000 or more since July 2016), verification of the identities of all adults receiving assistance, promotion of USDA work requirements for SNAP applicants and recipients, photos on Kansas Benefits Cards for recipients who opt in for this service, etc.

USDA-funded Employment & Training Program

Of note, DCF was awarded one of the 10 federal work demonstration pilots in the nation, funded by the USDA for the SNAP Employment & Training (E&T) program, designed to develop and test innovative employment and training strategies. DCF's application was aptly named Generating Opportunities to Attain Lifelong Success (GOALS). GOALS is a three-year pilot project to set eligible Kansans receiving food assistance on a path to successful careers that pay living wages, offer advancement opportunities and restore our clients' sense of value to themselves, their families and their communities. GOALS operates in 36 counties in Kansas (out of 105) and began accepting clients in late January 2016. As of January 2018, approximately 4,100 SNAP recipients have asked to be enrolled in this employment program. While the State of Kansas is excited to have one of the 10 pilot projects authorized in the last Farm Bill, fewer than 10 percent of eligible new SNAP applicants have signed up for this voluntary project. This low participation rate speaks loudly to the need for Congress to authorize and fully fund a mandatory work requirement for SNAP recipients.

Combatting Fraud and Benefits Trafficking in Kansas

As previously noted, DCF is committed to reducing fraud in all of the benefits programs it administers. Under the current administration, every effort has been made to rebuild a previously-dismantled Anti-Fraud Unit. In 2012, for example, DCF's Wichita Region had no one dedicated to fighting fraud. DCF embarked on a strategic planning journey to make the task of fraud prevention and prosecution a high priority for this agency all across the state.

A Director of Fraud Investigations was designated to spearhead the statewide effort, and the agency immediately reformed policies that had overlooked or facilitated fraud. DCF researched other states' successful anti-fraud initiatives, pursued legislative authority to hire additional fraud investigators and support staff, prosecuted pending cases that were growing stale from lack of attention, and identified cost-effective tools needed to support a robust and sustained agency anti-fraud effort. The chore of training new investigators and creating protocols and data tracking systems for the professional handling of fraud data and related reports was extensive.

Since this effort was launched, tremendous improvements have been made to DCF's anti-fraud efforts and programs. As an illustration of these wholesale enhancements, consider that prior to FY 2012, the agency did not have a comprehensive tracking mechanism for fraud investigations and judgments in a central data repository. Given the agency's new-

found focus on fraud-fighting initiatives with the dawn of the Brownback Administration, this was remedied as soon as possible. For FY 2012, there were only 1,213 total fraud investigations initiated statewide. In FY 2013, that total number of initiated investigations jumped to 3,094. In FY 2014, total investigations were 3,868, and in FY 2015 the number was 2,601. The total dollar amount of fraud judgments established statewide went from \$941,846 in FY 2013, to nearly \$1.8 million in FY 2014, and to more than \$3.2 million in FY 2015. Apart from the actual judgment amounts, there have also been substantial program savings realized by DCF's fraud-fighting efforts. These program savings come from identifying, adjudicating and closing fraudulent cases. In 2014, Kansas ranked second in the country in total state SNAP fraud prosecution convictions with 379. That same year, Kansas was number one in the country in state SNAP fraud prosecution convictions per capita, with one conviction per 7,636 citizens.

DCF has dedicated two staff to centralize and process incorrect benefits for individuals who are receiving duplicate assistance in another state. This work is based on the Public Assistance Reporting Information System (PARIS) report. PARIS is a federal-state partnership that ensures the integrity of public assistance programs through detecting and deterring improper payments. PARIS works with all 50 states, the District of Columbia and Puerto Rico to assist in maintaining the honorable intentions of public benefits programs. PARIS is voluntary, and Kansas is one of the original states to implement the match program. On a quarterly basis, Kansas submits the information on our public assistance recipients for matching to other states, the Veterans Affairs compensation system, and the federal compensation system, for the purpose of identifying individuals who may be receiving duplicate assistance in another state and to ensure that individual income sources are counted correctly in the household's eligibility determination. In FY 2015, two staff members completed work resulting in a savings or cost avoidance of \$869,767. Since its inception in FY 2014, the total through December 2017 is at \$2,559,601.

The detection, deterrence and prevention of welfare fraud saves taxpayer dollars that would otherwise be wrongfully received by individuals who are not entitled to receive such assistance. Anti-fraud efforts directly promote responsible stewardship of scarce public resources and could also mean that more of those scarce public resources are available to assist and strengthen the Kansas families whom we serve. Strengthening such families in turn strengthens Kansas and this great nation.

Recommendations for Federal SNAP Reforms

Through a wide range of successful reforms made within Kansas, we strongly believe these improvements should be considered by other states. We now look to the federal government to take the lead on additional reforms that would empower states, such as Kansas, to further incentivize employment and self-reliance.

Block Grant

As mentioned previously, states and their residents would be best served by a federal SNAP block grant to the states. This would allow states to innovate with new policies catered to their own populations, provide flexibility for them to promote employment and protect program integrity, and measure and compare outcomes against others to see what is working the best. These state-run programs would bring government closer to the people, creating more accountability. This would, in turn, yield greater system integrity.

Secretaries' Innovation Group (SIG) Recommendations

Absent a wholesale block granting of SNAP, Congress can still take action in the meantime to improve the program. The recommendations drafted and endorsed by the Members of the Secretaries' Innovation Group (SIG) on the Food Stamp Program are certainly worth reviewing. These may be found in Appendix V. SIG is a membership organization of state human service and workforce secretaries who "exchange state program innovations and press for national solutions which favor healthy families, work, economic self-reliance, budget responsibility and limited government." We will highlight a few of the SIG recommendations here as well.

Healthy Food Choices

SNAP allows for the purchase of products with no nutritional value that are typically purchased at convenience stores (e.g., energy drinks, pop, candy, etc.). These purchases should be banned, as SNAP is intended to be a supplemental *nutrition* program. This would also help the federal government be at least somewhat consistent with its emphasis on nutrition in other areas (e.g., rigid school lunch guidelines). In addition, it helps ensure that taxpayer dollars are being spent wisely. This rationale also applies to another recommendation—convenience stores should be required to carry more healthy foods to be qualified to serve as an FNS certified retailer for SNAP.

Transaction-level Data Availability

Transaction-level data should also be made available to states to increase transparency and inform state leaders about the effectiveness of SNAP. The federal government should require photos on EBT cards to reduce trafficking. Moreover, USDA should require positive identification and verification to ensure that applicants are who they say they are. The Kansas HOPE Act provision regarding the policy that non-citizens be treated the same as citizens for purposes of counting household income should also be a federally-mandated program requirement, for the reasons already discussed.

Cooperation with Fraud Investigations

The recently passed HOPE 2.0 legislation in Kansas establishes a requirement that recipients must cooperate with fraud investigators in other assistance programs (TANF and Child Care, e.g.). This type of mandatory cooperation is not required or even permitted by 7 CFR 273.16, in the SNAP program. This loophole allows for persons to misrepresent their circumstances but not be required to talk to an investigator or provide documentation that would verify the situation. This is a great disservice not only to taxpayers, but also to other SNAP recipients who are acting in good faith. Recipients should be required to cooperate with fraud investigators.

Eliminate Purchase and Prepare Option

Other recommended changes to SNAP that would foster and facilitate the goal of reducing fraud would be to eliminate the separate "purchase and prepare" option within one household and increase the financial incentives for states to pursue fraud, waste and abuse. Currently, states are only able to retain 35 percent of SNAP funds collected from intentional program violations or fraud cases in order to reinvest in program integrity efforts. Allowing states to retain at least 50 percent of funds collected from these cases would greatly incentivize and promote anti-fraud efforts.

Additional Welfare Reform in Kansas

Beyond the broad array of reforms that Kansas has enacted in recent years to its SNAP program (among the limited options allowed by federal law), Kansas has reformed other welfare benefits programs.

TANF Employment Services

In 2017, to effectively engage clients requesting TANF cash assistance earlier, DCF changed its policies so that now applicants complete an online orientation detailing all rights and responsibilities and complete a self-assessment, available in local service center lobbies. The process allows for clients to actively participate with Employment Services in a quick, efficient manner to expedite the process toward self-reliance through employment. If the applicant chooses not to follow through, his/her application for TANF benefits is denied.

Eligible TANF participants are engaged in work as soon as they are determined ready through the employment assessment process. TANF mandatory work program clients (work programs are required unless a client falls in an exempt category: i.e., mothers with children under two months, children, the elderly, etc.) are required to actively participate in work components that lead to competitive, integrated employment. Components are defined by the federal government as being either primary or secondary. To comply with federal work participation requirements, households need to meet at least 30 hours of participation per week, at least 20 hours of which need to be primary, and at least 10 hours of which may be secondary components.

The periods of ineligibility for TANF benefits based on non-cooperation with work programs are three months and full cooperation with work program activities for a first penalty; six months and full cooperation with work program activities for a second penalty; one year and full cooperation with work program activities for a third penalty; and 10 years for a fourth or subsequent penalty.

DCF provides employment preparation services to TANF cash assistance recipients and to former recipients during the 12-month period following their use of cash assistance. The goal of these services is to provide the opportunities for clients to advance in the labor market and reach self-reliance. Employment preparation services include job searching, job-readiness activities, job retention activities, job skills training, supervised community service, education, case management, and work experience. Supportive services are also available to TANF recipients and former recipients transitioning to employment. These services include transportation, child care, special services allowance, education, case management, contracted employment services, and training.

While some clients choose not to follow through and actively participate in work requirements, those who do are assisted in the aforementioned employment preparation, job attainment and retention and support services. From January 2011 through September 2017, 45,040 new employments were reported for TANF clients. As the economy improves and more businesses come to Kansas, jobs are more readily available, especially in high-demand occupations, and fewer find themselves in need of temporary assistance. These stronger work requirements, along with Kansas TANF time limits, which have decreased to 24 months (with a possible 12-month hardship extension for qualifying clients) as part of HOPE 2.0, were created to discourage welfare dependency and encourage employment.

TANF participation has declined significantly—an indication that more people became employed while others chose not to complete the necessary steps to determine eligibility for TANF, or to go to work. Kansas TANF caseloads have decreased from more than 40,000

persons in January 2011 to just under 10,000 persons in July 2017. As TANF families transition out of the program at 24 months, they may continue to be eligible for SNAP, child care, medical, energy, and/or housing assistance. Based upon all closure reasons, 95 percent of our TANF closures do continue to get transitional and/or support services once they leave TANF. Only 9 percent of the TANF closure reasons involve time limits. TANF clients receive cash assistance for 11 months (median). The number of average monthly new employments tracked by TANF Employment Services are decreasing annually because our TANF caseload has also decreased every year (people on TANF are getting jobs and thus do not need/qualify for cash assistance, the economy is improving and people sometimes choose not to cooperate and fall off the rolls).

TANF Drug Testing

The State of Kansas also has statutes in place that require suspicion-based drug testing for TANF clients. Some of these suspicious indicators could include arrest records (within the last 12 months), employment records (loss of job for failing a drug test, e.g., within the last 12 months), self-declaration, visual observation of drug use or paraphernalia, SASSI (Substance Abuse Subtle Screening Inventory) indicators, or prior refusal to drug test. DCF contracts with sites across Kansas that are licensed to conduct sampling and testing (via urinalysis) for amphetamines/methamphetamines, cannabinoids (THC/marijuana), cocaine, opiates, and Phencyclidine (PCP). Consequences for testing positive include requirements for the individual to complete substance abuse treatment and a job-skills training course, and escalating periods of ineligibility for TANF upon additional positive tests. Refusal to test also brings escalating periods of ineligibility for TANF. Children in these households remain eligible for TANF cash assistance with the help of a protective payee to administer the benefits on their behalf.

Suspicion-based Drug Testing Results	3 rd quarter 2015	3 rd quarter 2016	3 rd quarter 2017
Total Referred	101	96	66
Total Tested	87	83	52
Total Positive	22	17	9
Total Refused to test	14	13	14
Percent of Positive/refused tests	35.64%	31.25%	34.84%

Research shows that a majority of companies require drug and alcohol testing. State drug testing prepares individuals for what they can expect when they apply for and accept employment. The TANF drug testing initiative was started to properly identify those individuals who are currently using controlled substances so that we can assist in providing the treatment, rehabilitation and training necessary for them to become self-reliant.

Additional TANF Reforms

DCF has made further policy changes to welfare programs as well (many of which are codified in the HOPE Act). Some of these include requiring TANF clients with disabilities to participate in work activities to the extent consistent with their disabilities, requiring 28 hours

of work per week to obtain child care assistance (unless the client is in an approved education or training program), requiring DCF to retain a sufficient number of work programs and anti-fraud staff, and prohibiting cash assistance from being used in liquor stores, casinos, massage parlors, pari-mutuel facilities, etc.

Additional Kansas statistics, tables and information on our TANF reforms can be found in Appendix VI.

Success Stories

At the end of the day, the success of our clients shows the efficacy of our policy changes. Below are a few examples of these success stories.

Success Story 1: Former Felon Gains Dignity and Responsibility

A person on TANF with whom we worked was recently released from prison (he had a felony conviction for a financial crime). He obtained a job at a carwash at \$8.50 an hour as a part-time survival job. The employer kept calling him to work extra shifts, and he would go in while others failed to show up for work. He soon was getting full-time hours. In about three weeks' time, the employer moved him to a different carwash, gave him the responsibility of running it, gave him the keys and alarm codes to the business, and is going to be training him on how to fix the equipment. He is expecting a raise. He continues to receive on-the-job training and transportation payments.

Success Story 2: Single Mother Maintains Stable Employment

A single mother of two daughters applied for assistance in April, after her employment terminated due to a sick child. She was determined to return to employment in customer service and find child care for her child. She was referred to a provider and secured employment for 28 hours a week at \$9.30 per hour after 20 hours of training. The work schedule varied, and child care once again became an issue. She continued to look for more stable employment and started a full-time position at \$11.73 per hour at the local cable provider. This client set a goal to "find a stable job" and was determined to make the right decisions to achieve that goal. Child care assistance helped her obtain that goal.

Success Story 3: Women Receives Assistance to Start New and Promising Job

A client had been attending in-patient rehabilitation treatment long before being in the GOALS program. She has since graduated out of in-patient and has been attending out-patient treatment for a while. She faithfully attended rehabilitation and was considered job-ready there. She was motivated for a bright future; however, she had limited clothing options (one pair of clothes and heavily worn tennis shoes). The case manager had been coaching her, and her goal was to be able to buy herself some more clothes once she received a few paychecks. A plastics company called and offered her a job for the following week, but she had to show up with steel-toed boots on and ready to go. With the help of DCF staff, she was able to obtain boots, a pair of jeans and three shirts. She started off at 37 hours per week, at \$9.50 per hour, with a raise coming to her after her probationary period was over. She was excited about bettering herself through this opportunity.

Conclusion

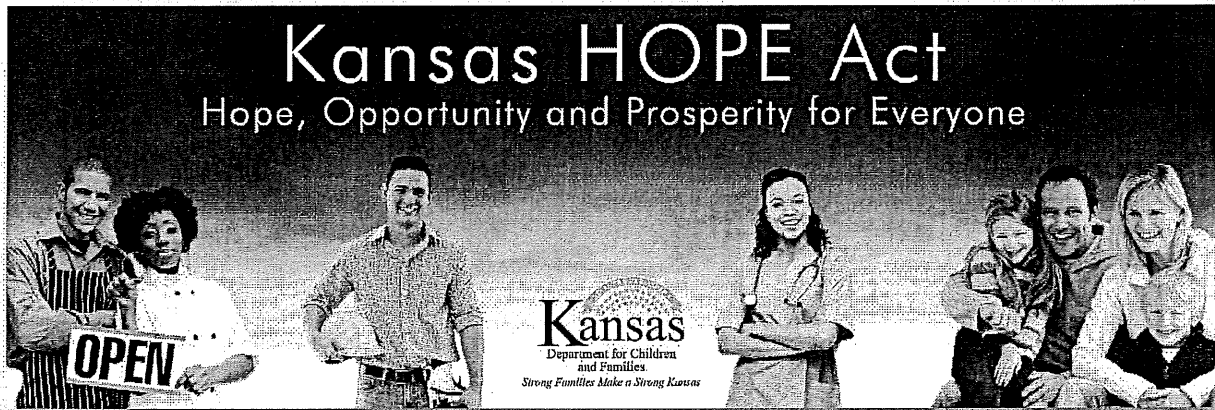
It is our ultimate goal to help individuals move from poverty to prosperity through self-reliance. When welfare reform was enacted in Kansas, childhood poverty plateaued and is now steadily falling in Kansas. According to KIDS COUNT data from the Annie E. Casey Foundation and Kansas Action for Children, in 2012, there were 135,000 children under the

age of 18 in poverty. In 2013, that number decreased by 3,000, down to 132,000. The 2014 data saw an even steeper decline, as the number of children under the age of 18 in poverty dropped by 6,000, all the way down to 126,000. The 2015 data brought more good news as the number of Kansas children under 18 in poverty declined by 4,000, down to 122,000. The childhood poverty rate has also decreased from 19 percent in the 2011 KIDS COUNT report down to 17 percent in 2015. The 2016 data shows an additional drop to 99,000. The childhood poverty rate has also decreased from 19 percent (in the 2011 KIDS COUNT report) down to 14 percent in 2016. Yet, we recognize that there is more work to be done.

Kansas has decided not to put its dollars toward the “poverty-industrial complex” that is built around the premise of putting trifling sums of government money in the hands of people who have fallen on hard times. These people get trapped in a system that incentivizes them to not work. Instead, DCF encourages self-reliance through its administration of SNAP and other welfare programs.

To that end, we reformed our policies to treat all Kansans in need with respect and to value their God-given potential to succeed, even if some would prefer to “throw money at the ‘problem’.” Our reform measures enhance program integrity and protect Kansas taxpayers, ensuring that benefits are available for those actually in need of temporary assistance. These reforms help Kansas measure success by the number of people coming off of welfare and getting into employment, rather than by the number of people stuck in poverty who are still on welfare.

We codified and enhanced these policies by drafting and advocating for the Kansas HOPE Act, the most comprehensive welfare reform legislation passed by any state in the country. Kansas has chosen to promote employment and personal responsibility, offering support along the way, as people learn how to thrive instead of just survive. Thank you for the opportunity to share the Kansas Model for welfare reform and recommendations for positive changes to these programs.



SUMMARY: This legislation codifies existing welfare policy reforms enacted by the Kansas Department for Children and Families. These employment-focused policy changes are in statute to ensure transparency and legislative input. The additional proposals help us achieve our mission, which includes encouraging personal responsibility. The most effective path out of poverty is employment. We have seen first-hand how this is true for individuals who participate in our work programs.

WHAT THE HOPE ACT DOES:

- Recodify public assistance statutes and incorporate existing policies in statute
- Repeal obsolete statutes
- Add several new policies

Welfare reforms into law

TANF Cash Assistance

- Progressive periods of ineligibility for not complying with TANF work requirements.
- 36-month¹ TANF lifetime limit. An additional 12 months of eligibility may be allowed if hardship criteria are met.
- Prohibit TANF cash assistance from being used in liquor stores, casinos, gaming establishments, and retail establishments providing adult entertainment.
- Authorize diversion payments in lieu of monthly cash assistance.
- Include current eligibility requirements, such as completing a work assessment and cooperating with work programs.
- Establish an exemption from the TANF work participation requirements for parents with a child less than three months of age. The three-month limitation shall not apply if the adult is personally providing care for a child born significantly premature, with serious medical conditions/disabilities.
- Require a 90-day review for clients placed in a “work experience” activity.
- Require persons with disabilities to participate in work activities to an extent consistent with their disabilities.

TANF Cash Assistance and Child Care Assistance

- Progressive periods of ineligibility for TANF cash assistance and child care assistance for not complying with child support requirements.

¹ This has been changed to 24 months.

- Establish fraud penalties. Assistance to the children in the family may be continued under a third-party, protective payee.
- Count the income of cohabitating partners when determining eligibility and benefits.

Child Care Assistance

- Establish a 20-hour minimum weekly work eligibility requirement for employed parents (not receiving TANF cash assistance).
- Reduce the minimum weekly work requirement to 15 hours for parents engaged in post-secondary education.

SNAP (Food Assistance)

- Prohibit the State from adopting the United States Department of Agriculture (USDA) option of “broad-based categorical eligibility” that expands SNAP eligibility and assistance.
- Prohibit the use of federal or State funds for advertising to promote SNAP participation.
- Prohibit DCF from requesting or implementing a USDA waiver or program that would relax the 1996 Welfare Reform Act’s time limit on employable adults with no children.
- Count the income of non-citizens when determining SNAP benefits.
- Name a protective payee for SNAP households where the adults have been convicted of fraud.

Statutes Repealed

- Certain programs no longer exist and should be removed from existing language, including General Assistance, Transitional General Assistance and KanWork programs.
- The mandate is removed that requires DCF to apply to the federal government for the approval to implement electronic benefits transfers.
- The final repeal concerns statutes under which DCF would establish and operate child care centers.

New Policies That Were Proposed

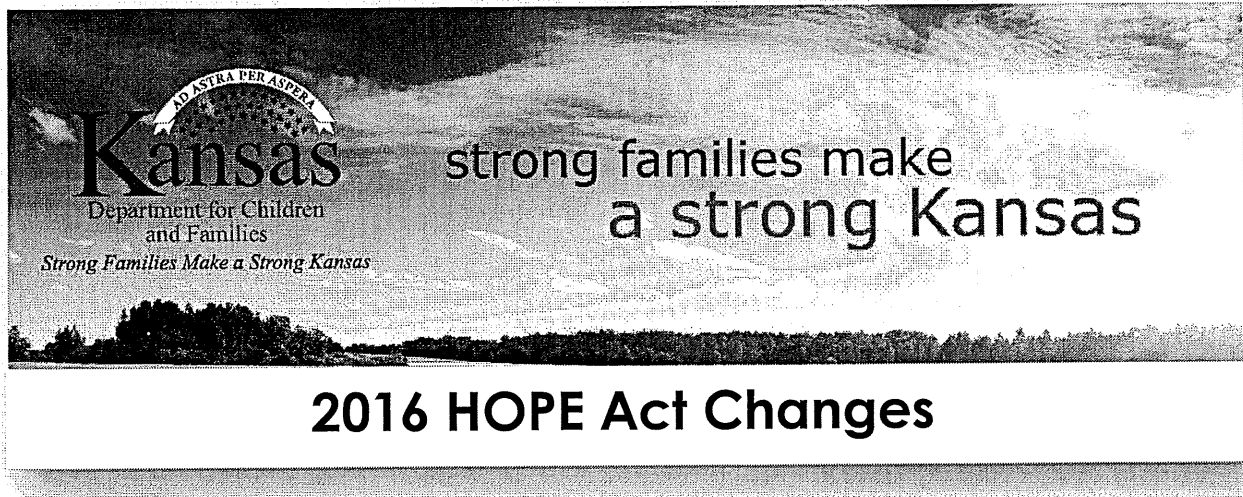
- Child Support Cooperation—SNAP adult recipients would be required to cooperate with child support and work program requirements.
- Drug Convictions—The individual shall be permanently disqualified if they have been convicted of a State or federal felony offense occurring on or after July 1, 2015, involving possession or use of a controlled substance or controlled substance analog. An individual shall be eligible for food assistance if the individual enrolls in and participates in a drug treatment program approved by the Secretary, submits to and passes a drug test and agrees to submit to drug testing if requested by the department pursuant to a drug testing plan. An individual’s failure to submit to testing or failure to successfully pass a drug test shall result in ineligibility for food assistance until a drug test is successfully passed. Failure to successfully complete a drug treatment program shall result in ineligibility for food assistance until a drug treatment plan approved by the Secretary is successfully completed, the individual passes a drug test, and agrees to submit to drug testing if requested by the department pursuant to a drug testing plan. If an individual is convicted a second time on or after July 1, 2015, then the individual will be permanently disqualified. Any family members will continue to receive food assistance if otherwise eligible.
- Prohibited Purchases—TANF recipients would be prohibited from using cash assistance for sexually-oriented adult materials, in sexually-oriented businesses, or in any business or retail establishment where minors under age 18 are not permitted. TANF cash assistance would also not be allowed to purchase concert tickets, professional or collegiate sporting event tickets or tickets for other entertainment events intended for the general public. Cash assistance cannot be used in a jewelry store, tattoo parlor, massage parlor, body piercing parlor, spa, nail salon, lingerie shop,

tobacco paraphernalia store, vapor cigarette store, psychic or fortune telling business, bail bond company, video arcade, movie theater, swimming pool, cruise ship, theme park, dog or horse racing facility or pari-mutuel facility.

- 36-month² TANF Time Limit—The family group shall not be eligible for TANF if the family group contains at least one adult member who has received TANF, including the federal TANF assistance received in any other state, for 36 calendar months beginning on and after Oct. 1, 1996, unless the Secretary determines a hardship exists and grants an extension allowing receipt of TANF until the 48-month limit is reached.
- Family Resources—When determining eligibility, one motor vehicle owned by the applicant for assistance, regardless of the value of such vehicle, is considered exempt personal property and any equity in any boat, personal water craft, recreational vehicle, recreational off-highway vehicle or all-terrain vehicle, as defined by K.S.A. 8-126, and amendments thereto, or any additional motor vehicle owned by the applicant for assistance is a nonexempt resource of the applicant for assistance except that any additional motor vehicle used by the applicant, the applicant's spouse or the applicant's cohabiting partner for the primary purpose of earning income may be considered as exempt personal property in the Secretary's discretion.
- Cash Withdrawal Limit—No TANF cash assistance shall be used for purchases at points of sale outside of the state of Kansas. TANF cash assistance transactions for cash withdrawals from automated teller machines (ATMs) shall be limited to one transaction per day. ATM transactions were initially limited to \$25 per transaction, but the \$25 limit was rescinded by the Secretary in accordance with legislative authority granted to DCF to raise or rescind the limit if necessary to comply with the provisions of federal law that govern adequate access to cash assistance.
- Photo IDs—Photograph of the recipient (or parent/guardian of a child) of public assistance shall be placed on any Kansas Benefits Cards. The card may serve as valid ID for voting purposes. The amendment provides for an opt-in provision.
- Gross Income Standards—The Secretary for the Department for Children and Families shall not apply gross income standards for food assistance higher than the standards specified in 7 U.S.C. 2014(c) unless expressly required by federal law. Categorical eligibility exempting households from such gross income standards requirements shall not be granted for any non-cash, in-kind or other benefit unless expressly required by federal law.
- Electronic verification—Conduct an electronic check for any false information provided on an application for TANF and other benefits programs administered by the department.

(This language serves as a summary, and is not exact. Precise language can be found in K.S.A. 39-701 et seq.)

² This has been changed to 24 months.



SUMMARY: In April 2015, Governor Sam Brownback signed into law the Kansas Hope, Opportunity, and Prosperity for Everyone (HOPE) Act, the most comprehensive state welfare reform in the nation. Many of the provisions codified existing DCF policies that were designed to help welfare benefits clients to move from poverty to self-reliance through employment. During the 2016 legislative session, lawmakers introduced additional reforms to further promote employment-driven poverty solutions. In May 2016, HOPE Act 2.0 passed both chambers and was signed by Governor Brownback. As HOPE Act 2.0 became law, the following took effect immediately in some cases, in others, following an appropriate transition period:

1. Crosscheck lottery winners receiving cash, food assistance or child care. The winnings threshold of \$5,000 would require the recipient to verify their income and resources.
2. Verify the identity of all cash, food and child care assistance adults in the assistance household. Current policy only requires verification of the adult applying for the entire household.
3. Require applicants and recipients of cash and child care assistance to cooperate with any fraud investigations. The agency would also be required to maintain a sufficient level of dedicated fraud investigative staff.
4. Monitor excessive benefit card replacements, including referrals to the agency's fraud investigation unit.
5. Include USDA work requirements for food assistance applicants and recipients.
6. Technical correction on TANF lifetime limits for Kansas diversion payment recipients.
7. Provide greater clarification and ability of the Secretary to monitor, enforce and recover assistance knowingly purchased, received, transferred, sold, acquired or possessed by anyone except as authorized by controlling statutes, regulations and policies.
8. Reduce TANF lifetime limit to 24 months from current limit of 36 months.
(This language serves as a summary, and is not exact. Precise language can be found in K.S.A. 39-701 et seq.)

Report: The Power of Work – How Kansas’ Welfare Reform is Lifting Americans Out of Poverty



JONATHAN INGRAM, FEBRUARY 16TH, 2016

EXECUTIVE SUMMARY

Too many Americans are trapped in failing welfare programs and the problem is getting worse. The number of people dependent on government has exploded in recent years, largely due to state and federal expansions.

This was driven by the misguided conventional wisdom that the best way to reduce poverty is to expand welfare to more people and hope that they would eventually work their way out of dependency. But new research turns that notion upside down

In 2013, Kansas bucked the welfare-expansion trend and implemented common-sense work requirements and time limits for able-bodied adults without dependents on food stamps. Under the leadership of Governor Sam Brownback, state officials launched the most comprehensive welfare tracking system of its kind to monitor the impact on individuals’ employment and earnings.

The results were remarkable.

With no welfare work requirement or time limit, just one in five able-bodied adults on food stamps worked. Nearly 93 percent of them were in poverty, most in severe poverty.

Since implementing work requirements and time limits, the number of able-bodied adults on food stamps has dropped by 75 percent.

These reforms immediately freed nearly 13,000 Kansans from welfare on December 31, 2013. Nearly 60 percent of those leaving food stamps found employment within 12 months and their incomes rose by an average of 127 percent per year. That higher income more than offset the food stamps they lost, increasing economic activity and bringing in new resources for other state priorities. Better still, the average income among working able-bodied adults is now above the poverty line.

Those still receiving food stamps, but now subject to a work requirement, are also better off. The typical enrollee has significantly increased their employment and incomes, although their incomes are not as high as those freed completely from welfare.

Long-term welfare caused severe damage. The data shows that the less time these able-bodied adults spend on welfare, the quicker they can get back into the workforce once they are freed from welfare and the more money they will make. These Kansans are discovering new lives of independence and self-reliance that, in some cases, they haven't known for more than two decades.

This new evidence provides policymakers with an opportunity to rethink how they approach welfare. Reformers must refocus their anti-poverty efforts on freeing people from welfare completely instead of simply reforming the welfare experience itself. Policymakers across the country should take a page from Kansas, restore the working class, and give real hope to millions trapped in lives of dependency and poverty.

Executive Summary: <http://thefga.org/research/report-the-power-of-work-how-kansas-welfare-reform-is-lifting-americans-out-of-poverty/>

One-Pager: <http://thefga.org/wp-content/uploads/2016/02/KS-Success-Story-One-Pager-Final-2.16.pdf>

Full Report: <http://thefga.org/wp-content/uploads/2016/02/PowerOfWork-KansasWelfareReform.pdf>

Appendix IV – Kansas SNAP Caseloads

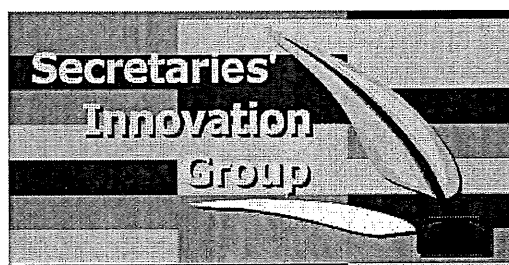
	Households	Adults	Children	Total Persons	Monthly Expend
SNAP Caseload January 2011	138,733	162,050	137,549	299,599	37,852,754
SNAP Caseload December 2017	102,607	116,558	103,246	219,808	29,900,439
Percentage Decrease:	-26%	-28%	-25%	-27%	-21%

Appendix V – SIG Food Stamps Recommendations

One out of every seven Americans currently receives Food Stamps. The Supplemental Nutrition Assistance Program (SNAP), which is known as Food Stamps, has quadrupled in cost since 2001, and has doubled in cost since President Obama took office in 2008. States face an uphill battle on reforming this program. Federal regulations and laws are not designed to best ensure integrity and effectiveness in the program, and the federal administering agency, Food Nutrition Service (FNS) puts up roadblocks to reform whenever possible.

A common sense approach is needed in Washington D.C. to allow states the ability to ensure welfare benefits are being used appropriately. Despite intense opposition, States have made significant strides in some areas to tackle fraud, waste and abuse in the system. For instance, several states have implemented photos on Electronic Benefits Cards (EBT) and are requiring working-age, non-disabled adults to meet work requirements.

Measures underway by states, and the reforms proposed below are aimed at deterring fraud, protecting legitimate beneficiaries and securing taxpayer's peace of mind that the Food Stamp program is best serving the people of the United States. With the help of reform-minded voices in Congress, States can move forward with significant and meaningful reforms to this important program.



Secretaries' Innovation Group Food Stamps Policy Page:
<http://www.secretariesinnovationgroup.org/food-stamps.html>

Full Statement on Food Stamp Program Problems and Recommended Solutions:
<http://nebula.wsimg.com/3284946cf57e99e6419835001d2bd36a?AccessKeyId=EEB98E648E3097DCA50D&disposition=0&alloworigin=1>

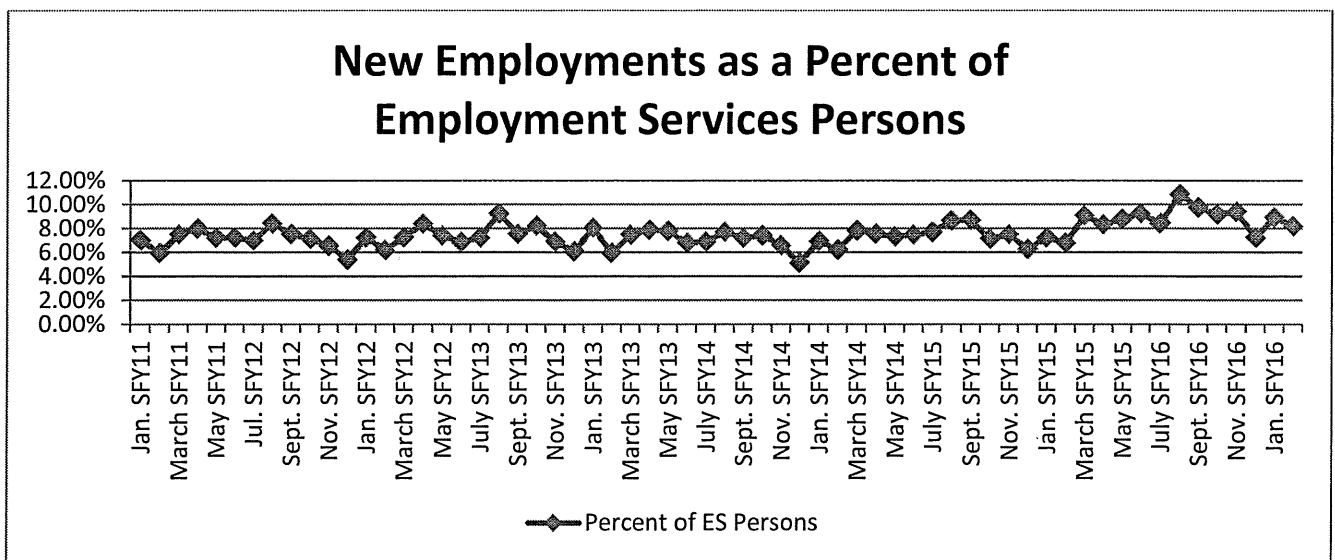
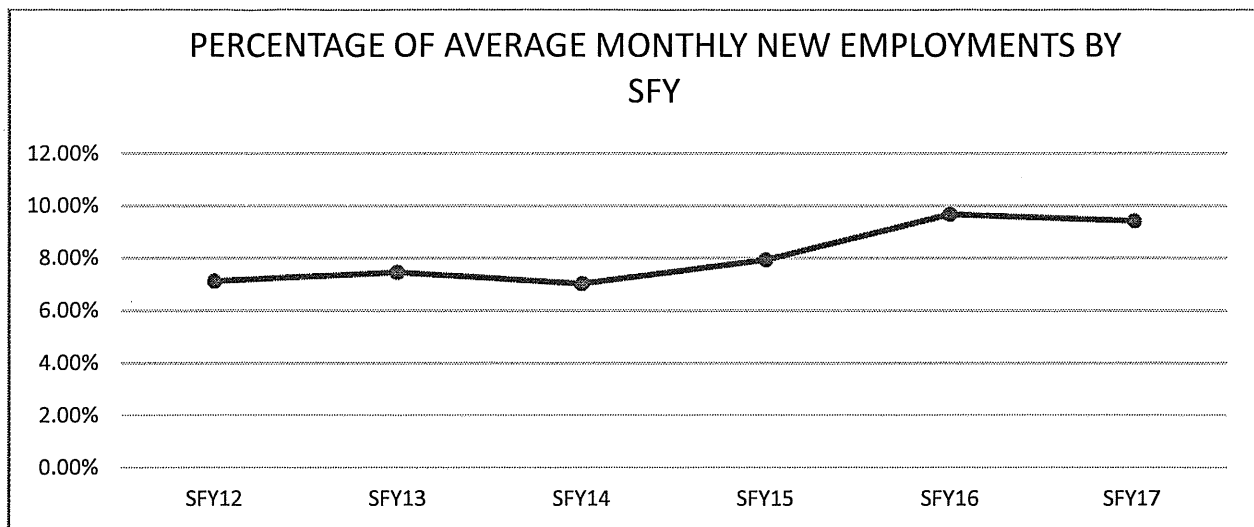
Appendix VI – Kansas TANF Statistics

	Households	Adults	Children	Total Persons	Monthly Expend
TANF Caseload January 2011	15,507	13,530	26,642	40,172	4,427,064
TANF Caseload December 2017	4,370	2,254	7,460	9,714	1,130,939
Percentage Decrease:	-72%	-83%	-72%	-75%	-74%

New Employments 2011 – September 2017

Calendar Year	Total New Employments
2011	11,136
2012	7,781
2013	6,131
2014	5,812
2015	5,422
2016	5,209
2017 (Sept)	3,549
Total	45,040

Calendar Year	Average Monthly New Employments	Average Monthly ES Persons	Average Percent of ES Persons Employed
2011	928	13,072	7.10%
2012	648	8,796	7.37%
2013	511	7,206	7.09%
2014	484	6,507	7.44%
2015	452	5,221	8.65%
2016	429	4,501	9.53%
2017 (YTD-Sept)	367	3,779	9.71%



	Households	Adults	Children	Total Persons	Monthly Expend
TANF Caseload January 2011	15,507	13,530	26,642	40,172	4,427,064
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Percentage Decrease:	-72%	-83%	-72%	-75%	-74%

Suspicion-based Drug Testing Results	3rd quarter 2015	3rd quarter 2016	3rd quarter 2017
Total Referred	101	96	66
Total Tested	87	83	52
Total Positive	22	17	9
Total Refused to test	14	13	14
Percent of Positive/refused tests	35.64%	31.25%	34.84%

Kansas Child Poverty (KIDS COUNT data <http://datacenter.kidscount.org/data/tables/43-children-in-poverty-100-percent-poverty?loc=18&loct=2#detailed/2/18/false/573,869,36,868,867/any/321,322>)

Location	Data Type	2012	2013	2014	2015	2016
Kansas	Number	135,000	132,000	126,000	122,000	99,000
	Percent	19%	19%	18%	17%	14%