

February 14, 2024

The Honorable Francis Averkamp, Chairperson  
House Committee on Welfare Reform  
300 SW 10th Avenue, Room 152-S  
Topeka, Kansas 66612

Dear Representative Averkamp:

**SUBJECT:** Fiscal Note for HB 2668 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2668 is respectfully submitted to your committee.

HB 2668 would amend several provisions for public assistance related to cash assistance, food assistance, and child care subsidy. The bill would require job searches instead of a 20-hour work week for child care subsidy eligibility. The bill would permit use of food assistance funds for advertising food assistance programs and would modify penalties for non-cooperation for all assistance programs.

HB 2668 would remove the tiered penalties related to noncooperation for Temporary Assistance for Needy Families (TANF) cash assistance. Currently, cash assistance participants not cooperating with work program or child support receive tiered penalties. The first penalty is the closure of the cash assistance case for three months. A second instance of noncooperation results in a six-month penalty. Further noncompliance results in a longer instance of ineligibility. The bill would replace these tiered penalties by indicating "individuals shall remain ineligible until any of such individuals complies with all requirements provided." This change in language would allow return of eligibility immediately upon resolution of the noncooperation.

Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
<b>Expenditures</b>			
State General Fund	--	\$3,600,689	\$18,377,112
Fee Fund(s)	--	--	--
Federal Fund	--	6,389,221	10,896,118
Total Expenditures	--	\$9,989,910	\$29,273,230
<b>Revenues</b>			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	--	--

According to the Department for Children and Families, enactment of HB 2668 would increase total expenditures of the agency by \$10.0 million from all funding sources, including \$3.6 million from the State General Fund for FY 2025 and \$29.3 million from all funding sources, including \$18.4 million from the State General Fund for FY 2026. TANF benefits would increase by \$574,995 for FY 2025 and by \$725,278 for FY 2026, which would continue in the out-years. Currently, individuals who have not cooperated with TANF work programs are also determined to be ineligible for food assistance benefits using tiered penalties. These penalties impact only the person not cooperating and not the entire case. The bill would remove these tiered penalties and allow for the person to be eligible again for food assistance benefits once they have met the requirements. These changes impact the amount paid in food assistance benefits. However, these benefits are not part of the submitted or approved budget and are paid as a pass through to the eligible families.

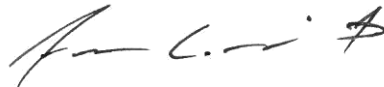
Currently, statute requires adults accessing non-TANF child care subsidy services for children to be employed a minimum of 20 hours per week. The bill would remove this requirement and would instead require job search participation. DCF estimates that the child care subsidy benefits would increase by \$9.2 million from all fundings sources, including \$3.5 million from the State General Fund for FY 2025, \$28.4 million from all funding sources, including \$10.8 million from the State General Fund for FY 2026, and \$39.7 million from all funding sources, including \$15.1 million from the State General Fund for FY 2027 and beyond.

DCF indicates the changes to eligibility included in the bill would require updates and maintenance to the Kansas Eligibility Enforcement System. It is estimated these annual costs would be approximately \$195,000 from all funding sources, including \$85,137 from the State General Fund, for modifications and maintenance of the system.

Enactment HB 2668 would remove the prohibition of using state and federal funds to promote food assistance benefits and enrollment. DCF states that any funds used for advertising

come from funds already budgeted for the SNAP program. There is no fiscal impact related to the advertisements. It should be noted that federal regulations prohibit the use of SNAP Administrative funds for advertising purposes. Advertising to promote food assistance could have an impact on the food assistance caseload. As noted, benefits paid for food assistance are not included in the budget. For estimating purposes, DCF assumes a 3.0 percent increase in caseload due to advertising. The Governor's budget recommendation included a food assistance caseload of 91,500 for FY 2025. A 3.0 percent increase would raise the monthly caseload to 94,245 cases. The projected increase in caseload would also result in an increase in the amount of food assistance benefits paid to eligible families. However, as food assistance benefits are not included in the budget, there is no fiscal impact from the proposed changes. Any fiscal effect associated with HB 2668 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt  
Director of the Budget

cc: Kim Holter, Department for Children & Families