

Approved: 3/15/94
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Rochelle Chronister at 7:07 a.m. on March 11, 1994 in Room 514-S of the Capitol.

All members were present except: Rep. David Heinemann, excused

Committee staff present: Alan Conroy, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Leah Robinson, Legislative Research Department
Jim Wilson, Revisor of Statutes
Jerry Cole, Committee Secretary
Sharon Schwartz, Administrative Assistant

Conferees appearing before the committee: none

Others attending: See attached list

Rep. Pottorff made a motion to adopt the minutes as presented for February 28, March 1 and 3. Rep. Teagarden seconded the motion and it carried.

Rep. Pottorff made a motion for the introduction of a bill for a community crime prevention program funding formula. Rep. Helgersen seconded the motion and it carried.

Rep. Lowther made a motion to reconsider action on SB 556. Rep. Reinhardt seconded the motion and it carried. Back on the bill, Rep. Lowther made a substitute motion to further amend the subcommittee's report for the KCC (Kansas Commerce Commission) contained in the bill by permitting a loan from the State Budget Stabilization Fund to the KCC for its emergency supplemental appropriation. (See Attachment 1). Rep. Reinhardt seconded the motion and it carried. Rep. Lowther moved to pass and favorably recommend the bill as it had been further amended. Rep. Reinhardt seconded the motion and it carried.

Chairman Chronister opened discussion on **HB 2929**. Staff members Laura Howard, Legislative Research Department, and Jim Wilson, Revisor of Statutes, explained the fiscal impact of the proposals being considered for welfare reform (See Attachment 2), the amendments proposed by a majority of the subcommittee on welfare reform (See Attachment 3) and the proposed alternate amendments (See Attachment 4) to the bill.

Rep. Helgersen made a motion to adopt the amendments proposed as a part of the majority report. (See Attachment 5). Rep. Allen seconded the motion. Rep. Carmody made a substitute motion adopting the proposed alternate amendments. His motion was seconded by Rep. Everhart and carried.

Rep. Everhart moved to strike new section 2 from the report. Rep. Teagarden seconded the motion and it carried on a vote 10-9. Rep. Lowther made a motion to include new section 7 of the majority report to the adopted version. Rep. Teagarden seconded the motion. Rep. Teagarden made a substitute motion adding to the Lowther motion the establishment of a trust account OR a custodial account as is appropriate. Rep. Lowther seconded the motion and it failed. Rep. Lowther made a new substitute motion removing the provisions of section 7 and references to those provisions from section 6. Rep. Pottorff seconded the motion and it carried.

Chairman Chronister recessed the committee at 9:05 a.m. and set it to reconvene upon adjournment of the scheduled House session. The committee reconvened at 12:05 p.m.

Rep. Helgersen made a motion to reinsert new section 11 into the bill calling it a "Self-sufficiency Plan" and

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S of the Capitol, at 7:07 a.m. on March 11, 1994.

requiring the Department of Social and Rehabilitation Services (SRS) to re-formulate the plan with existing FTE (full-time equivalent) and monies. Rep. Teagarden seconded the motion and it carried on a vote of 11-7.

Rep. Allen moved to amend the bill by inserting the plan for Transitional Medical Assistance under the SRS ACT (Actively Creating Tomorrow) proposal. The new plan would provide an additional 12 months (24 months total) of medical insurance coverage to former AFDC (Aid For Dependent Children) recipients after obtaining employment where coverage was not offered. Rep. Helgerson seconded the motion and it failed 9-10. Rep. Teagarden made a motion by resubmitting the above motion, but with the addition that coverage in months 13-16 call for a 25% co-pay, months 17-20 call for a 50% co-pay and months 21-24 a 75% co-pay. Rep. Allen seconded his motion and it carried.

Rep. Helgerson made a motion reinstating the subcommittee's majority report provision for new section 9, the Electronic Benefit Funds Transfer. Rep. Teagarden seconded the motion and it failed.

Rep. Everhart moved to strike the amended new section 11. Rep. Carmody seconded the motion and it carried.

Rep. Helgerson made a motion to include in the bill's preamble that savings from the welfare reform proposals go back to available funds for the AFDC population. Rep. Teagarden seconded the motion. Rep. Hochhauser made a substitute motion to keep only the first sentence of the subcommittee's preamble contained in the report referring to the goal of enhancing self-sufficiency. Rep. Gatlin seconded the motion and it was carried by the committee.

The Chairman raised the question as to the need of a severability clause. Rep. Carmody moved to insert, at the proper place, a severability clause. The motion carried with Rep. Pottorff's second.

Rep. Lowther moved to remove appropriations in the bill for the Pregnancy Prevention Act and Paternity Outreach Grants. His motion died for lack of a second.

Rep. Carmody moved to pass and favorably recommend **HB 2929** as it had been amended by the committee. Rep. Pottorff seconded the motion and it carried.

Various information had been given to committee members throughout discussion on welfare reform. (See Attachments 6, 7, 8 and 9). No further business appearing before the committee, the meeting was adjourned at 1:05 p.m. The next meeting is scheduled for March 15, 1994.

1994 Appropriation Committee Guest List

1	NAME	ORGANIZATION
2	Ann VanZandt	KDHR
3	David Rosenthal	
4	Sydney Hardman	KS ACTION FOR CHILDREN
5	TK Shively	KS LEGAL SERVICES
6	Dan Ronney	W. Eagle
7	Donna Whitman	SRS
8	Ann Kori	SRS
9	Lisa Unruh	DOB
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Fri, Mar 11, 1994

SUBCOMMITTEE REPORT

Agency: Kansas Corporation Commission

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. 861

Budget Page No. 134

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ 11,732,566	\$ 11,755,222	\$ --
Aid to Local Units	128,497	128,497	--
Other Assistance	<u>646,264</u>	<u>646,264</u>	--
Total	<u>\$ 12,507,327</u>	<u>\$ 12,529,983</u>	<u>\$ --</u>
FTE Positions	225.0	225.0	--

Agency Overview

The State Corporation Commission is responsible for regulating rates and overseeing other aspects of the operations of approximately 195 electric, natural gas, telephone, and water utilities. It regulates approximately 23,901 motor carriers, railroads, and liquid pipelines. It is responsible for enforcing regulations pertaining to the conservation of crude oil and natural gas and the protection of fresh and usable water. It also is involved in developing the state's energy policy and administers federally-funded energy conservation projects that promote the efficient use of energy, including programs funded by oil overcharge money.

Agency Estimate/Governor's Recommendation

The Commission estimates expenditures of \$12,507,327. The Governor recommends expenditures of \$12,529,983, an increase of \$22,656. The increase primarily is due to State Finance Council action in December, 1993, to implement the classification study for Information Technology job classes.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations, with the following comment:

1. More than one year ago, it became apparent that receipts to the Conservation Fee Fund were declining and that the assessment on oil marketed or used and on gas produced would have to be increased. Industry officials, once informed of the condition of the Fund, were cooperative in helping design the fee increase. The Conservation Fee Fund is a major source of revenue to finance operations of the Kansas Corporation Commission. Of the approved state operations budget for FY 1994, more than \$5.0 million, or 43 percent, is financed from the Fund.

ATTACHMENT 1

Apparently because of a reluctance to increase fees on the depressed oil industry, or perhaps because of a failure to appreciate the seriousness of an impending revenue shortfall, the Commission delayed raising fees until December, 1993. The Commission may have waited too long because the Subcommittee was informed that revenues to the Fund may be inadequate to meet expenses for the next several months. As a result, the Commission is in the process of developing a furlough plan and may have to begin reducing the hours worked by employees in the conservation division beginning in March. Because details of the plan had not been developed or approved by the Department of Administration when the Subcommittee made its review, it is not known that the furlough is a certainty, which employees will be affected, or how long the furlough will be in place. According to the agency, it is not likely that the furlough will extend into FY 1995.

The furlough, which apparently is unprecedented among state agencies, potentially could affect 87.5 employees of the conservation division who are located in Topeka and at the Commission's field offices in Wichita, Chanute, Dodge City, and Hays. In addition to the hardship a furlough would create for the employees affected, the work performed by the field offices would suffer. According to the agency, the workload of the division often increases during times when the oil industry is depressed because of the environmental problems that occur when wells are abandoned.

The Subcommittee believes it is a serious matter when a state agency suffers a revenue shortfall that has the potential of reducing its level of activity and causing employees to be furloughed. For that reason, the Subcommittee requests that the House Appropriations Subcommittee that next reviews this budget make it a priority to monitor developments relating to the shortfall, including a review of any furlough plan that is implemented. The House Subcommittee also should review updated Conservation Fee Fund receipts and expenditures to determine if the expected influx of new revenues as a result of the increased fees is, in fact, realized to the extent currently estimated.

Senate Committee of the Whole

House Subcommittee Recommendations

The House Subcommittee concurs with the recommendations of the Senate, with the following comments:

1. The Subcommittee spent considerable time reviewing issues relating to a shortfall in revenues to the Conservation Fee Fund that has the potential of causing employees to be furloughed and most certainly will affect certain activities normally performed by the Commission's conservation division. The implementation in December, 1993, of higher fees on oil and gas production resulted in additional revenues to the Conservation Fee Fund beginning in late February. Estimates presented to the Subcommittee indicate that it is possible a furlough will not have to be implemented and that there will be a balance in the Fund at the end of the fiscal year of almost

\$600,000. (That amount is what the Commission considers a desirable minimum for the Fund, which generally has receipts of more than \$5.0 million a year and finances more than 40 percent of the Commission's operations.) The Commission estimates that receipts to the Fund in FY 1995 will total slightly more than \$5.3 million, which would finance approved expenditures from the Fund and leave adequate balances to carry forward into FY 1996.

In the event that the new fees do not generate enough additional revenue to avert a serious cash flow problem in the remaining months of the current fiscal year, the Commission has filed a furlough plan with the Department of Administration for its required approval. The plan would furlough each of the employees in the conservation division one day a week until the condition of the Fund improves. (The division is authorized 87.5 FTE employees.) The earliest the furlough would be implemented is March 18, but the Commission is optimistic that the furlough will not be necessary. The Subcommittee sincerely hopes that the furlough can be avoided.

The Subcommittee was informed that last fall the Commission implemented several cost-savings measures when it realized a shortfall was likely. Expenditures for well plugging activities, which are normally around \$500,000 a year, will be limited to \$300,000 in FY 1994. Seven and one-half vacant positions in the conservation division are not being filled, which will generate salary savings of more than \$150,000. Reductions in other operating expenditures, particularly for travel and capital outlay, will generate additional savings of approximately \$190,000. In all, the approved expenditure level from the Fund of slightly more than \$5.0 million is expected to be reduced by more than \$500,000.

While the Subcommittee recognizes that it is necessary to force savings in FY 1994 in order to avoid more serious problems, it is concerned that some activities of the Commission will be performed at a reduced level. For example, limiting expenditures for well plugging to \$300,000 (which will plug between 60 and 110 wells) is unfortunate at a time when the depressed state of the oil industry sometimes results in wells being abandoned. The long-term effect of the curtailment of conservation division activities during FY 1994 should be reviewed by the 1995 Legislature in the context of the Commission's mission and the extent to which the shortfall in the Conservation Fee Fund will affect the performance of the conservation division.

It is the Subcommittee's intention to remain informed about the condition of the Conservation Fee Fund through the remainder of the Session. In this connection, it notes that the Legislative Post Audit Committee has approved a 100-hour audit that focuses on the questions of whether the Commission adequately managed its cash flow in FY 1994 knowing the condition of the Fund and whether the Commission's expenditures to-date in FY 1994 from the Fund have been appropriate in light of the impending shortfall.

Representative Jim Lowther
Subcommittee Chair

Representative George Dean

Representative David Heinemann

Representative Richard Reinhardt

FISCAL IMPACT OF WELFARE REFORM PROPOSALS -- STATE FUNDS ONLY

		FY 1995				FY 1996			
Bill Section	Provision	ACT	HOPE H.B. 2929	HOPE w/Proposed Amendments	Majority Subcommittee Report	ACT	HOPE H.B. 2929	HOPE w/Proposed Amendments	Majority Subcommittee Report
New Sec 1	Minors Must Live with Parents	--	0	0	0	--	0	0	0
New Sec 2	Family Size Limitation	--	98,100	98,100	--	--	(111,312)	(111,312)	--
New Sec 3,4	Family Support Tax Credit	--	863,045	0	0	--	1,467,523	0	0
New Sec 5	School Attendance Penalty & Incentives	211,330	319,721	0	335,954	572,311	440,411	0	311,225
New Sec 6	Child Development Account	0	0	0	29,274	0	0	0	29,274
New Sec 7	Individual Development Account	--	0	0	0	--	0	0	0
New Sec 8	Elim. Marriage Penalty (incl. preg/foster)	(2,526,336)	(2,526,336)	(2,526,336)	(2,526,336)	(3,225,587)	(3,225,587)	(3,225,587)	(3,225,587)
New Sec 9	Electronic Benefit Funds Transfer	0	0	0	0	0	0	0	0
Sec 10(b)	Two-Parent Work Registration	(28,391)	--	(28,391)	(28,391)	(58,661)	--	(58,661)	(58,661)
Sec 10(c)	Requirement of Paternity Identification	(57,039)	(57,039)	(57,039)	(57,039)	(58,927)	(58,927)	(58,927)	(58,927)
Sec 10(i)	Fugitives Ineligible	--	0	0	0	--	0	0	0
Sec 10(i)	Late Monthly Reporting Penalties	(246,445)	--	(246,445)	(246,445)	(509,205)	--	(509,205)	(509,205)
Sec10(i), New Sec 11	Voluntary Job Quit	(224,874)	(54,112)	(54,112)	(54,112)	(464,635)	(112,553)	(112,553)	(112,553)
New Sec 11	Family Investment Agreement	203,367	--	--	751,090	306,377	--	--	1,181,074
Sec. 11, 12	KanWork Changes	1,110,300	(136,975)	0	0	2,089,743	(287,758)	0	0
New Sec.	Earned Income Disregard	(138,726)	--	(138,726)	(138,726)	(785,520)	--	(785,520)	(785,520)
New Sec.	Individual Assistance Support Trust	--	0	0	0	--	0	0	0
New Sec	Teen Pregnancy	400,627	--	400,627	400,627	416,652	--	416,652	416,652
New Sec	Paternity Outreach Program	213,190	--	213,190	213,190	213,190	--	213,190	213,190
Rec Not in Bill	Employment Security Cross-Match	(105,866)	--	(105,866)	(105,866)	(105,866)	--	(105,866)	(105,866)
Rec Not in Bill	System Automation	359,699	--	359,699	359,699	319,828	--	319,828	319,828
COMPARISON TOTAL		(\$829,164)	(\$1,493,596)	(\$2,085,299)	(\$1,067,081)	(\$1,290,300)	(\$1,888,203)	(\$4,017,961)	(\$2,385,076)

Total Cost of ACT (including all provisions) \$4,521,327

\$8,135,645

FTE Positions:

System Automation	15		15	15	15	--	15	15
Teen Pregnancy	17	--	0	0	17	--	0	0
Family Investment Agreement	28	--	--	68	28	--	--	68
School Penalty	--	49	0	10	--	49	0	10
Family Support Tax Credit	--	85	22	22	--	85	22	22
COMPARISON TOTAL	60	134	37	115	60	134	37	115

ATTACHMENT 2

Bill Section	INITIATIVE	SRS Current Policy	SRS -- ACT Proposal	HOPE -- H.B. 2929 as Introduced	HOPE with Proposed Amends.	Subcommittee Majority Report
New Sec. 1	Minors Must Live with Parents	Minors must live with family/adult or be determined self-responsible	No Provision	Minors who have a child or are pregnant must live with parent, legal guardian, or other adult, except if whereabouts unknown; health or safety would be jeopardized; or the child has lived apart one year FN: Negligible Impact	SAME AS HOPE FN: Negligible Impact	SAME AS HOPE FN: Negligible Impact
New Sec. 2	Family Size Limitation	No Limit: Grant amounts based on family size; increase with each additional child.	No Provision	After 2 children, no additional benefit for child conceived while on public assistance; if parents, work can keep additional income equal to what grant increase would have been SRS Fiscal Note: FY 1995 \$98,100 FY 1996 (111,312)	Same as HOPE. SRS does not support capping family size but if recommended, supports this method of doing so. SRS Fiscal Note: FY 1995 \$98,100 FY 1996 (111,312)	DELETE THIS PROVISION
New Sec 3,4	Family Support Tax Credit	None	No Provision	SRS required to certify that no relatives are able and willing to assume financial support before granting assistance; family members who contribute eligible for tax credit up to state share of assistance SRS Fiscal Note: FY 1995 -- \$863,045 85.0 FTE FY 1996 -- \$1,467,523 85.0 FTE Revenue: No admin. impact; tax liability reduced by \$4.25 million if 5,000 taxpayers contribute	Amended to delete requirement that SRS make certification prior to granting assistance, and to limit the amount of the tax credit to 70% of the contribution. Of moneys received by SRS, 80% to be credited to SGF; 15% to match federal funds to increase AFDC grant of recipient; and 5% to social welfare fund for administration and one-time grants. SRS Fiscal Note: No impact with Amendments, except for 22.0 FTE necessary	SAME AS AMENDED HOPE

Bill Section	INITIATIVE	SRS Current Policy	SRS -- ACT Proposal	HOPE -- H.B. 2929 as Introduced	HOPE with Proposed Amends.	Subcommittee Majority Report
New Sec. 5	School Attendance Penalty and Incentives	Children over 15 must attend school or participate in KanWork	Pilots paying incentives to students for satisfactory attendance SRS Fiscal Note: FY 1995 -- \$211,330 FY 1996 -- \$572,311	10% cash penalty if dependent child not in school SRS Fiscal Note: FY 1995 -- \$319,721 FY 1996 -- \$440,411 49 FTE Positions	Amendments would make imposition of a penalty discretionary. SRS Fiscal Note: FY 1995 -- \$0 FY 1996 -- \$0	Amend in provisions of H.B. 2188, with amendments proposed to Senate Education Committee -- Pilot program including both incentive and penalty modeled after Ohio LEAP Program Fiscal Note: FY 1995 -- \$335,954 FY 1996 -- \$311,225 F.N. assumes child care already funded. 10 FTE Positions
New Sec. 6	Child Development Account	Child's earnings exempt as income, but counted as a resource	Child's earnings exempt as income and as resource. SRS Fiscal Note: No Impact	Exempt child's earnings as income; also, exempt as resource if placed in Individual Develop. Account earmarked for education SRS Fiscal Note: No Impact	Same as HOPE with clarification that AFDC child's earnings not subject to IDA cap SRS Fiscal Note: No Impact	Amend to exempt all income earned and saved by child if placed in IDA from income and resources test, and to exempt from resources, that of adult, both for education SRS Fiscal Note: FY 1995 -- \$29,274 FY 1996 -- \$29,274
New Sec. 7	Individual Development Account	No Provision	No Provision	Any Kansas resident may deposit up to \$2,000 for each holder, plus \$1,000 for each dependent child, to be established as trust, used for education, home ownership, or health care. Interest exempt from state income tax. Revenue Fiscal Note: No estimate; only interest exempt.	SAME AS HOPE Revenue Fiscal Note: No estimate; only interest exempt.	Apply this option only to AFDC applicants and recipients, and only for educational purposes; cap applies to adult, not child Fiscal Note: Negligible
New Sec. 8	Elimination of Marriage Penalty and Coverage through Pregnancy and of certain foster children	Two parent families not eligible for AFDC receive 100% state-funded General Assistance	Waives rigid AFDC unemployed parent criteria and bases eligibility on financial need SRS Fiscal Note: FY 1995 -- \$(2,526,336) FY 1996 -- \$(3,225,587)	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$(2,526,336) FY 1996 -- \$(3,225,587)	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$(2,526,336) FY 1996 -- \$(3,225,587)	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$(2,526,336) FY 1996 -- \$(3,225,587)

Bill Section	INITIATIVE	SRS Current Policy	SRS -- ACT Proposal	HOPE -- H.B. 2929 as Introduced	HOPE with Proposed Amends.	Subcommittee Majority Report
New Sec. 9	Electronic Benefit Funds Transfer	SRS is developing a system to pilot in 1995 for electronic transfer of assistance benefits	Support Current Development SRS Fiscal Note: FY 1995 -- \$0 FY 1996 -- \$0	EBT Pilot in KanWork Counties SRS Fiscal Note: FY 1995 -- \$0 FY 1996 -- \$0	Same as HOPE, clarified to include cash, food stamps, and medical SRS Fiscal Note: FY 1995 -- \$0 FY 1996 -- \$0	Amend to require Secretary to conduct EBT pilot, including cash, food stamps, and medical benefits, beginning in May, 1995, to be expanded statewide beginning in August, 1995. This timeframe was proposed by SRS. SRS Fiscal Note: FY 1995 -- \$0 FY 1996 -- \$0
Sec. 10(b)	Two-Parent Work Registration	Both parents must register except unemployed parent cases in remote areas	Both parents must register, including in remote areas. SRS Fiscal Note: FY 1995 -- \$(28,391) FY 1996 -- \$(58,661)	No Provision	Both parents must register, including in remote areas. SRS Fiscal Note: FY 1995 -- \$(28,391) FY 1996 -- \$(58,661)	SAME AS AMENDED HOPE SRS Fiscal Note: FY 1995 -- \$(28,391) FY 1996 -- \$(58,661)
Sec. 10(c)	Requirement of Paternity Identification	In AFDC, absent parents must be identified and paternity established for in-home fathers	Current policy was initiated as a result of ACT SRS Fiscal Note: FY 1995 -- \$(57,039) FY 1996 -- \$(58,927)	Requires identity of absent parent in AFDC case SRS Fiscal Note: FY 1995 -- \$(57,039) FY 1996 -- \$(58,927)	SAME AS HOPE SRS Fiscal Note: FY 1995 -- \$(57,039) FY 1996 -- \$(58,927)	SAME AS HOPE SRS Fiscal Note: FY 1995 -- \$(57,039) FY 1996 -- \$(58,927)
Sec. 10(i)	Fugitives Ineligible	No Provision	No Provision	Fugitives/felons ineligible SRS Fiscal Note -- Negligible	SAME AS HOPE SRS Fiscal Note -- Negligible	SAME AS HOPE SRS Fiscal Note -- Negligible
Sec. 10(i)	Late Monthly Reporting Penalties	Late reporters with earnings receive no disregards. Only families with earnings are penalized.	Percentage reduction of benefits for all late reporters SRS Fiscal Note: FY 1995 -- \$(246,445) FY 1996 -- \$(509,205) Note: SRS Needs-Based Staffing Initiative (Other-6 below) assumed 8.0 FTE associated with this.	No Provision	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$(246,445) FY 1996 -- \$(509,205) Note: SRS Needs-Based Staffing Initiative (Other-6 below) assumed 8.0 FTE associated with this.	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$(246,445) FY 1996 -- \$(509,205) Note: SRS Needs-Based Staffing Initiative (Other-6 below) assumed 8.0 FTE associated with this.

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Bill Section	INITIATIVE	SRS Current Policy	SRS -- ACT Proposal	HOPE -- H.B. 2929 as Introduced	HOPE with Proposed Amends.	Subcommittee Majority Report
Sec. 10(i),	Voluntary Job Quit	AFDC Mandatory work program registrants receive progressive penalties up to 6 months. 1st penalty waived if cooperative. Also applicants lose earnings disregard.	Applicant or recipient family ineligible for 3 months. SRS Fiscal Note: FY 1995 - \$(224,874) FY 1996 -- \$(464,635)	Individual applicant or recipient ineligible if voluntarily quitting or fired due to gross misconduct as defined by rules and regulations. SRS does not oppose HOPE. SRS Fiscal Note: FY 1995 -- \$(54,112) FY 1996 -- \$(112,553)	SAME AS HOPE SRS Fiscal Note: FY 1995 -- \$(54,112) FY 1996 -- \$(112,553)	Recommend that job quit provisions be incorporated as a specific part of family investment agreement, described below. SRS Fiscal Note: FY 1995 -- \$(54,112) FY 1996 -- \$(112,553)
New Sec. 11	Family Investment Agreement	No Provision	Contracts establishing detailed client and agency responsib. & expectations SRS Fiscal Note: FY 1995 -- \$203,367 FY 1996 -- \$306,377 28 FTE Positions	No Provision	No Provision	Amend in provisions of H.B. 2938, Family Investment Agreements -- essentially, this requires a plan and individualized timeframe for leaving assistance for each recipient. Amend H.B. 2938 to exclude KanWork for those with children less than 3 years. SRS supports if funds are available. SRS Fiscal Note: FY 1995: \$751,090 FY 1996: \$1,181,074 68 FTE Positions
Sec. 11 & 12	KanWork Changes	Pregnant women and single parents of children up to age 3 are exempt from work & training	Removes exemption for pregnancy and reduces exemption for child from 3 yrs to 3 months SRS Fiscal Note: FY 1995 -- \$1,110,300 FY 1996 -- \$2,089,743 56 FTE	Limits KanWork to those defined as employable, with participation limited to two years. After KanWork participation ceases, recipient not eligible to receive assistance for three subsequent years, but still qualify for transitional. Also, limits GED to nine months and education following GED to 12 months SRS Fiscal Note: FY 1995 -- \$(136,975) FY 1996 -- \$(287,758)	Proposed Amendments to lengthen time allowable for education and training. SRS Fiscal Note: FY 1995 -- \$0 FY 1996 -- -\$0	Recommend a 30-month limit for education and training under KanWork, for those deemed "employable" by the Secretary. Of that 30 months, no more than nine months are to be for attainment of GED. Subcommittee concurs with 3 year limit on return to public assistance. Sponsor of HOPE concurs. SRS Fiscal Note: \$0 FY 1995 -- \$0 FY 1996 -- -\$0

Bill Section	INITIATIVE	SRS Current Policy	SRS -- ACT Proposal	HOPE -- H.B. 2929 as Introduced	HOPE with Proposed Amends.	Subcommittee Majority Report
New Section	Earned Income Disregard	\$90, and \$30 and one-third of income on time-limited basis	\$90 & 40% of gross monthly earned income without time limit SRS Fiscal Note: FY 1995 -- \$(138,726) FY 1996 -- \$(785,520) NOTE: SRS Needs Based Staffing (Other 6 -below), includes 7.0 FTE associated with this.	No Provision	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$(138,726) FY 1996 -- \$(785,520) NOTE: SRS Needs Based Staffing (Other 6 -below), includes 7.0 FTE associated with this.	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$(138,726) FY 1996 -- \$(785,520) NOTE: SRS Needs Based Staffing (Other 6 -below), includes 7.0 FTE associated with this.
New Section	Individual Assistance Support Trust	No Provision	No Provision	No Provision	Individual assistance support trusts could be created by 501(c)(3)s. The Secretary of SRS can accept money from such a trust for deposit in a state support trust fund. The 501(c)(3) may retain 5% of any grant received; the Secretary shall deposit 10% in SGF; 5% to credit of social welfare fund; and the balance (80%) used to match federal funds in accordance with the terms of the agreement. Fiscal Note: \$0	SAME AS AMENDED HOPE Fiscal Note: \$0
New Section	Teen Pregnancy	Family Planning a Covered SRS Medicaid service -- KDHE has 4 pilot projects; KS Health Foundation funds others.	Funding for case management & media campaign SRS Fiscal Note: FY 1995 -- \$400,627 FY 1996 -- \$416,652	No Provision	Amend to include SRS proposal for local grants. SRS Fiscal Note: FY 1995 -- \$400,627 FY 1996 -- \$416,652	Recommend appropriation to KDHE for teen pregnancy prevention, with a recommendation that KDHE give a high priority to AFDC recipients to receive matching federal funds. Review current allocation when consider KDHE budget. SRS Fiscal Note: FY 1995 -- \$400,627 FY 1996 -- \$416,652
New Section	Paternity Outreach Program	No Provision	Grants to Hospitals to Establish Paternity at time of Birth SRS Fiscal Note: FY 1995 -- \$213,190 FY 1996 -- \$213,190	No Provision	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$213,190 FY 1996 -- \$213,190	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$213,190 FY 1996 -- \$213,190

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4-2

Bill Section	INITIATIVE	SRS Current Policy	SRS -- ACT Proposal	HOPE -- H.B. 2929 as Introduced	HOPE with Proposed Amends.	Subcommittee Majority Report
Not In Bill	Employment Security Cross-Match	Existing crossmatch with automated systems is insufficient Contingent on passage of H.B. 2503. H.B. 2503 FN: Net savings to state due to increase in CSE collections, but 1.0 FTE	Improves cross-match and new-hire information availability (W-4) SRS Fiscal Note: FY 1995 -- \$(105,866) FY 1996 -- \$(105,866)	No Provision	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$(105,866) FY 1996 -- \$(105,866)	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$(105,866) FY 1996 -- \$(105,866)
Not in Bill	System Automation	Resources unavailable for essential improvements to KAECSSES system	Resources to update KAECSSES SRS Fiscal Note: FY 1995 -- \$359,699 FY 1996 -- \$319,828 15.0 FTE, reduced to 6.0 in FY 1998	No Provision	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$359,699 FY 1996 -- \$319,828 15.0 FTE, reduced to 6.0 in FY 1998	SAME AS ACT SRS Fiscal Note: FY 1995 -- \$359,699 FY 1996 -- \$319,828 15.0 FTE, reduced to 6.0 in FY 1998
FISCAL IMPACT -- STATE FUNDS			FY 1995 -- \$(829,164) FY 1996 -- \$(1,290,300) 60 FTE	FY 1995 -- \$(1,493,696) FY 1996 -- \$(1,888,203) 134 FTE	FY 1995 -- \$(2,085,299) FY 1996 -- \$(4,017,961) 37 FTE	FY 1995 -- \$(1,067,081) FY 1996 -- \$(2,385,076) 115 FTE

=====

OTHER PROPOSALS IN ACT (SRS) NOT INCLUDED IN H.B. 2929:

2-2

Other 1.	Buy-In Enhancement	Buy-in of Medicare premiums is a cumbersome process causing loss of 3rd party coverage and reimbursement	Enhances efficient identification and processing of Medicare Buy-In SRS Fiscal Note: FY 1995 -- \$(104,130) FY 1996 -- \$(208,424) 33 FTE
Other 2.	Claims Unit	No staff dedicated to collection of overpayments	Establish an overpayment recovery network FY 1995 -- \$53,990 FY 1996 -- \$(81,905) 25 FTE

Bill Section	INITIATIVE	SRS Current Policy	SRS -- ACT Proposal	HOPE -- H.B. 2929 as Introduced	HOPE with Proposed Amends.	Subcommittee Majority Report
Other 3.	Estate Recovery	Current Resources Insufficient to Pursue Possible Recoveries	Provides resources to adequately pursue recoveries FY 1995 - \$(321,158) FY 1996 - \$(440,784) 3.0 FTE			
Other 4.	CWEP Expansion to Private Sector	CWEP in Private non-profit or governmental organization only	Expands CWEP to Private Enterprise FY 1995 -- \$102,613 FY 1996 -- \$183,390			
Other 5.	Custody and Visitation	No Provision	Contract for custody and visitation services. FY 1995 -- \$70,277 FY 1996 -- \$70,277			
Other 6.	Needs Based Staffing	No Provision	Baseline increase with adjustments made according to a caseload study. FY 1995 -- \$709,001 FY 1996 -- \$924,079 130 FTE			
Other 7.	Need Standard Evaluation	Required every 3 years for AFDC under federal law.	Provides for contract to conduct the study. FY 1995 -- \$40,875 FY 1996 -- \$0			
Other 8.	AFDC Child Support Enforcement	Noncooperating individuals are penalized.	Penalty progresses to ineligibility for family after 3 months of noncooperation. FY 1995 -- \$(28,170) FY 1996 -- \$(58,206)			
Other 9.	Transitional Medical Assistance	12 months of transitional medical available after loss of AFDC due to employment	Increases Transitional Medical to 24 Months FY 1995 -- \$217,522 FY 1996 -- \$461,580			
Other 10.	Child Support Enforced in Food Stamp Program	No Provision	Require Food Stamp Recipients to cooperate with Child Support Enforcement FY 1995 -- \$70,986 FY 1996 -- \$141,970			

Bill Section	INITIATIVE	SRS Current Policy	SRS -- ACT Proposal	HOPE -- H.B. 2929 as Introduced	HOPE with Proposed Amends.	Subcommittee Majority Report
Other 11.	Vehicle Exemptions	Cash and food stamps limit exemptions by equity, market value, or use of vehicle	One vehicle exempt in all programs. FY 1995 -- \$118,746 FY 1996 -- \$249,308			
Other 12.	Eliminate Administrative Barriers to Transitional Medical	Quarterly Income Reporting; 185% Income Test after 6 months	Removes Administrative Requirements FY 1995 -- \$107,162 FY 1996 -- \$113,698			
Other 13.	JOBS for Pregnant Women and Young Families	Exempts pregnant women and single parents of children up to age 3 from work and training	Remove pregnancy exemption. Reduce exemption for care of child from 3 years to 3 months FY 1995 -- \$1,110,300 FY 1996 -- \$2,089,743 56.0 FTE			
Other 14.	Public Service Employment	No Provision	PSE projects developed with government and businesses. FY 1995 -- \$56,841 FY 1996 -- \$107,155			
Other 15.	Increase OJT Opportunities	Limited OJT	Increases OJT Availability FY 1995 -- \$684,643 FY 1996 -- \$846,617			
Other 16.	Work Programs for Absent Parents	No Provision	Absent parents failing child support obligations assigned to work program participation FY 1995 -- \$486,878 FY 1996 -- \$905,430			
Other 17.	Class and Activity Fees	No Provision	Provides class and activity fees for school children. FY 1995 -- \$78,760 FY 1996 -- \$169,325			

Bill Section	INITIATIVE	SRS Current Policy	SRS -- ACT Proposal	HOPE -- H.B. 2929 as Introduced	HOPE with Proposed Amends.	Subcommittee Majority Report
Other 18.	Service Delivery	Income maintenance and employment services are handled by different workers.	Pilot alternative delivery method. FY 1995 -- \$112,109 FY 1996 -- \$109,494 7.0 FTE			
Other 19.	Develop Program Guides	Current Material Out-of-Date	Support material and staff to develop quality program guides. FY 1995 -- \$35,256 FY 1996 -- \$36,684			
Other 20.	Transportation Cost for Work Program	\$25 or \$30 per month based on the activity	Pay actual transportation costs at state mileage rate. FY 1995 -- \$892,434 FY 1996 -- \$1,834,965			
Other 21.	Eliminate Shared Living Penalty	Cash assistance families living with others receive reduced benefit	Eliminates reduction for shared living FY 1995 -- \$1,965,585 FY 1996 -- \$4,061,291			
TOTAL -- ACT Proposal			FY 1995 -- \$4,521,327 FY 1996 -- \$8,135,645 314 FTE			

HOUSE BILL No. 2929

By Representatives Phill Kline and Garner, Ballard, Benlon, Boston, Bradley, Bryant, Carmody, Cornfield, Correll, Cox, Crabb, Crowell, Dawson, Dillon, Donovan, Empson, Everhart, Farmer, Flower, Freeborn, Gatlin, Glasscock, Goodwin, Graeber, Grant, Haulmark, Hayzlett, Hendrix, Henry, Jennison, Kejr, King, Phil Kline, Krehbiel, Lahti, Lane, Lawrence, Lloyd, Macy, Mason, Mayans, Mays, McClure, McKechnie, McKinney, Mead, Mills, Minor, Mollenkamp, Morrison, Myers, Neufeld, Nichols, O'Neal, Packer, Pauls, Pettey, Pottorff, Powers, Robinett, Rock, Roe, Scott, Shallenburger, Shore, M. Smith, Snowbarger, Tomlinson, Toplikar, Vickrey, Wagle, Watson, E. Wells, Wempe, Wiard and Wilk

2-4

18 AN ACT concerning social welfare; aid to families with dependent
19 children; eligibility for public assistance; state income tax credits
20 for certain persons assisting certain applicants for assistance; ex-
21 emptions from income and resources of earned income of minors
22 for educational purposes; individual development accounts; elec-
23 tronic funds transfer remittance; KanWork participation and re-
24 quirements; amending K.S.A. 39-709, 39-7,104 and 39-7,105 and
25 repealing the existing sections.
26

27 *Be it enacted by the Legislature of the State of Kansas:*

28 New Section 1. (a) Notwithstanding the provisions of any other
29 law to the contrary, no aid to families with dependent children grant
30 payment shall be made on behalf of a minor under the age of 18
31 years who has never married and who has a child or is pregnant
32 unless such minor resides with a parent, legal guardian or other
33 adult relative or in a foster home, maternity home or other adult-
34 supervised living arrangement.

35 (b) Exceptions to this section shall be allowed in any of the
36 following circumstances in accordance with requirements of the fed-
37 eral family support act of 1988:

38 (1) The individual has no parent or legal guardian who is living
39 or the whereabouts of the individual's parent or legal guardian are
40 unknown;

41 (2) the state determines that the physical health or safety of the
42 individual or the individual's child would be jeopardized; or

43 (3) the individual has lived apart from the individual's parent or

SUBCOMMITTEE MAJORITY REPORT

For Consideration by House Appropriations

3-10-94

ATTACHMENT 3

1 legal guardian for a period of at least one year prior to the birth of
2 the child or applying for benefits.

3 New Sec. 2. (a)(1) In determining the amount of assistance pay-
4 ments to a recipient family for aid to families with dependent children
5 with fewer than three dependent children at the time such assistance
6 is first received by such family on or after the effective date of this
7 act, the secretary of social and rehabilitation services shall revise the
8 schedule of benefits to be paid to such recipient family by eliminating
9 the increment in benefits under the program for which that family
10 would otherwise be eligible as a result of the birth of a third or
11 subsequent dependent child during the period in which the family
12 is eligible for aid to families with dependent children benefits, or
13 during a temporary period in which the family or adult recipient is
14 ineligible for aid to families with dependent children benefits pur-
15 suant to a penalty imposed by the secretary of social and rehabili-
16 tation services for failure to comply with benefit eligibility require-
17 ments, subsequent to which the family or adult recipient is again
18 eligible for benefits. The secretary of social and rehabilitation services
19 shall provide instead that a recipient family with fewer than three
20 dependent children at the time such assistance is first received by
21 such family on or after the effective date of this act in which the
22 adult recipient parents a third or subsequent dependent child during
23 a temporary penalty period of ineligibility for benefits may receive
24 additional benefits only pursuant to paragraph (a)(2), except in the
25 case of a general increase in the amount of aid to families with
26 dependent children benefits which is provided to all program re-
27 cipients.

28 (2) In the case of a family that receives aid to families with
29 dependent children with fewer than three dependent children at the
30 time such assistance is first received by such family on or after the
31 effective date of this act in which the adult recipient parents a third
32 or subsequent dependent child during the period in which the family
33 is eligible for aid to families with dependent children benefits sub-
34 sequent to which the family of the adult recipient again becomes
35 eligible for benefits, the secretary of social and rehabilitation services,
36 subject to federal approval, in addition to eliminating the increase
37 in the benefit as provided in subsection (a)(1), shall provide that in
38 computing the amount of financial assistance that is available to the
39 family that receives aid to families with dependent children, the
40 monthly earned income disregard for each employed person in the
41 family shall increase by an amount equal to that which the family
42 would have otherwise received by parenting an additional child,
43 adjusted for family size.

3-2

1 (b) (1) In determining the amount of assistance payments to a
2 recipient family for aid to families with dependent children three or
3 more dependent children at the time such assistance is first received
4 by such family on or after the effective date of this act, the secretary
5 of social and rehabilitation services shall revise the schedule of ben-
6 efits to be paid to such recipient family by eliminating the increment
7 in benefits under the program for which that family would otherwise
8 be eligible as a result of the birth of an additional child during the
9 period in which the family is eligible for aid to families with de-
10 pendent children benefits, or during a temporary period in which
11 the family or adult recipient is ineligible for aid to families with
12 dependent children benefits pursuant to a penalty imposed by the
13 secretary of social and rehabilitation services for failure to comply
14 with benefit eligibility requirements, subsequent to which the family
15 or adult recipient is again eligible for benefits. The secretary of social
16 and rehabilitation services shall provide instead that a recipient family
17 with three or more dependent children at the time such assistance
18 is first received by such family on or after the effective date of this
19 act in which the adult recipient parents an additional child during
20 a temporary penalty period of ineligibility for benefits may receive
21 additional benefits only pursuant to paragraph (b)(2), except in the
22 case of a general increase in the amount of aid to families with
23 dependent children benefits which is provided to all program re-
24 cipients.

25 (2) In the case of a family that receives aid to families with
26 dependent children with three or more dependent children at the
27 time such assistance is first received by such family on or after the
28 effective date of this act in which the adult recipient parents an
29 additional child during the period in which the family is eligible for
30 aid to families with dependent children benefits subsequent to which
31 the family of the adult recipient again becomes eligible for benefits,
32 the secretary of social and rehabilitation services, subject to federal
33 approval, in addition to eliminating the increase in the benefit as
34 provided in subsection (b)(1), shall provide that in computing the
35 amount of financial assistance that is available to the family that
36 receives aid to families with dependent children, the monthly earned
37 income disregard for each employed person in the family shall in-
38 crease by an amount equal to that which the family would have
39 otherwise received by parenting an additional child, adjusted for
40 family size.

41 New Sec. 3. ~~[(a) Except for grants for emergency assistance as~~
42 ~~determined by the secretary of social and rehabilitation services, no~~
43 ~~aid to families with dependent children assistance shall be granted.]~~

3-2

1 to any person unless the secretary of social and rehabilitation services
2 has certified, after undertaking diligent efforts, that there is no rel-
3 ative of such person who is capable and willing to assume financial
4 support of such person without resort to public assistance. Such
5 certification shall be required prior to initial granting of such assis-
6 tance on and after the effective date of this act and, thereafter, upon
7 periodic reviews of eligibility conducted annually.

8 ~~[-(b).]~~ Any person who agrees to provide financial support to a per-
9 son ~~[under this section]~~ who would otherwise be eligible to receive
10 aid to families with dependent children and who has entered into
11 an agreement with the secretary of social and rehabilitation services
12 for this purpose, in accordance with rules and regulations adopted
13 by the secretary of social and rehabilitation services establishing the
14 terms and conditions of such agreement, shall receive a credit against
15 the tax liability imposed under the Kansas income tax act as provided
16 under section 4 and amendments thereto.

17 New Sec. 4. (a) There shall be allowed as a credit against the
18 tax liability imposed under the Kansas income tax act of a person
19 who has entered into an agreement with the secretary of social and
20 rehabilitation services under section 3 and amendments thereto an
21 amount equal to the amount of financial assistance paid by such
22 person under section 3 and amendments thereto, as certified by the
23 secretary of social and rehabilitation services, of not to exceed the
24 amount of financial assistance which would have been paid under
25 the aid to families with dependent children program from state
26 matching contributions, as certified by the secretary of social and
27 rehabilitation services, if such person had not agreed to assume some
28 financial support.

29 (b) An individual may not claim a tax credit under this section
30 if a credit for child care and dependent care expenses was claimed
31 on either the state or federal tax return, or if the individual receives
32 payment for care of the person provided financial assistance.

33 (c) The credit allowed by this section shall not exceed the amount
34 of tax imposed under the Kansas income tax act reduced by the sum
35 of any other credits allowable pursuant to law.

36 (d) The provisions of this section shall be applicable to all taxable
37 years commencing after December 31, 1993.

38 New Sec. 5. Financial assistance provided under aid to families
39 with dependent children shall be reduced by an amount of 10% of
40 the total financial assistance from the aid to families with dependent
41 children grant provided to any one family in which a dependent
42 child who has not graduated from a high school or obtained a dec-
43 laration of equivalence of high school graduation and who is not

(a)

(b) Moneys received by the secretary under this section shall be used to match available federal moneys for providing aid to families with dependent children in the following manner: (1) The portion equal to 80% of such moneys shall be credited to the state general fund, (2) the portion equal to 15% of such moneys shall be used by the secretary to match available federal moneys and shall be added by the secretary to the grant of the recipient family, (3) the remaining portion equal to 5% of such moneys shall be credited to the social welfare fund for administrative expenses and one-time grants.

70% of

3-4

See attached. Insert in lieu of New Sec. 5.

~~prohibited from attending school or otherwise unable to attend school, as determined by the secretary of social and rehabilitation services, is not attending school to obtain a high school diploma or such declaration of equivalency.~~

or grant determinations relating thereto

New Sec. 6. In determining eligibility for aid to families with dependent children ~~or medical assistance or other public assistance~~, the secretary of social and rehabilitation services shall exclude from income and resources any income earned by a minor and saved by the minor for educational purposes for the minor in an individual development account authorized under section 7. This earned income shall be income earned by the minor and saved for educational purposes in accordance with rules and regulations of the secretary of social and rehabilitation services which define earned income for the purposes of this section and specify the method by which such income may be dedicated to educational purposes to ensure that such income is used in a manner to comply with the provisions of this section.

and amendments thereto and shall exclude from resources any income earned by an adult and saved by the adult for educational purposes for the adult or minor in an individual development account authorized under section 7 and amendments thereto, but not to exceed the maximum allowable amount of contributions authorized under subsection (c) of section 7 and amendments thereto

New Sec. 7. (a) This section may be cited as the individual development account act.

dependent child or adult

(b) For the purposes of this section:

(1) "Account holder" means the individual on whose behalf the individual development account is established.

who is an applicant for or recipient of aid to families with dependent children

(2) "Dependent child" means any person under the age of 21 years ~~or any person who is legally entitled or subject to a court order for the provision of proper and necessary subsistence and education, and who is not emancipated, married or a member of the armed forces of the United States.~~

(5) "Adult" means a person who is a parent, or other caretaker, of a dependent child and who has made application for or is a recipient of aid to families with dependent children.

(3) "Individual development account" means a trust created or organized to pay for ~~home ownership, health care or~~ education expenses of the account holder.

an adult or dependent child

(4) "Trustee" means a chartered state bank or trust company authorized to act as a fiduciary, a national banking association or savings and loan association authorized to act as a fiduciary, or an insurance company.

The amount of deposit for any taxable year of income earned by the minor, who is the account holder, is unlimited.

(c) (1) For taxable years beginning on or after the effective date of this act, ~~a resident of this state~~ shall be allowed to deposit contributions to an individual development account. The amount of deposit for the first taxable year subsequent to the effective date of this act shall not exceed:

\$2,000 for the account holder who is an adult.

~~(A) \$2,000 for the account holder, or~~

~~(B) \$2,000 for the account holder and \$1,000 for each dependent child of the account holder.~~

by an adult

(2) The maximum allowable amount of deposit for subsequent

New Sec. 5. (a) (1) This section shall be known and may be cited as the KanLearn act.

(2) The purpose of the KanLearn program shall be to encourage eligible individuals to participate and to complete school and attain a high school diploma or the equivalent of a high school diploma.

(b) An individual who is a recipient of cash assistance under subsection (b) of K.S.A. 39-709 and amendments thereto may participate in the KanLearn program under this act if all of the following apply:

(1) The individual has attained age 13 and has not attained age 20;

(2) the individual has not graduated from a high school or obtained a declaration of equivalency of high school graduation;

(3) the individual is not exempted from attending school under state law;

(4) the individual is a person who is a natural or adoptive parent, or other caretaker, or is pregnant or is a person who is residing with such individual's natural or adoptive parent, foster parent or legal guardian;

(5) if the individual is the caretaker of a child, the child is at least 90 days old;

(6) if child care services are necessary in order for the individual to attend school, licensed or registered child care services under the provisions of article 5 of chapter 65 of the Kansas Statutes Annotated and amendments thereto are available for the child and transportation to and from child care is also available;

(7) the individual is not prohibited from attending school while a suspension or an expulsion under K.S.A. 72-8901 et seq. and amendments thereto is pending;

(8) if the individual was expelled from a school under K.S.A. 72-8901 et seq. and amendments thereto, there is another school available which the individual can attend;

(9) if the individual is 16 to 19 years of age, the school district does not determine that the individual will fail to graduate from high school before reaching age 20; and

(10) if the individual enters into a written KanLearn participation agreement.

(c) (1) An individual who fails to meet the requirements under subsection (b) shall not be eligible to participate in the KanLearn program established under this act.

(2) Within the limits of appropriations therefor and subject to guidelines established by the secretary of social and rehabilitation services by rules and regulations: (A) The secretary in cooperation with the school district may provide mentoring and tutoring services and transportation to and from school to individuals who are participants in the KanLearn program when it is determined that such services are necessary for the individual to attend high school with a reasonable expectation of graduation or to attend another educational program associated with the school district that is designed to lead to attainment of a high school diploma or the equivalent of a high school diploma; and (B) the secretary may provide one or more special financial assistance payments to an individual who is a participant in the KanLearn program when it is determined that such payments are necessary to make it possible for the individual to continue attending school when specific needs or circumstances of the individual would otherwise cause the individual to discontinue attending school on a temporary or permanent basis.

(3) Within the limits of appropriations therefor and not more often than monthly, an individual who is a participant in the KanLearn program and who is attending school in accordance with KanLearn program requirements and is satisfying the academic progress requirements of the KanLearn program shall be eligible to receive an incentive payment in an amount fixed by rules and regulations adopted by the secretary of social and rehabilitation services.

(4) If an individual participating in the KanLearn program does not attend school in accordance with KanLearn program requirements without good cause or does not satisfy the academic progress requirements of the KanLearn program without good cause, the individual may be subject to monetary penalties which shall reduce the cash assistance under subsection (b) of K.S.A. 39-709, and amendments thereto, and other penalties terminating other special financial assistance payments or child care services provided under the KanLearn program, except that the monetary penalties shall not exceed the amount of the incentive payment. All such penalties shall be defined by and shall be imposed in accordance with rules and regulations adopted by the secretary of social and rehabilitation services.

(5) An individual who is a participant in the KanLearn program shall be exempt from work projects, community work and training programs, job requirements under the KanWork program and other work requirements for eligibility for receipt of public assistance. The secretary shall provide for periodic monitoring and evaluation of the progress in school of an individual who is a participant in the KanLearn program.

(d) In accordance with the provisions of this section, the secretary of social and rehabilitation services shall adopt rules and regulations which establish KanLearn program requirements and which fix incentive payment amounts and penalty amounts for the KanLearn program. The rules and regulations shall define "good cause," "school" and "the equivalent of a high school diploma" for the purposes of the KanLearn program and shall specify the provisions of KanLearn participation agreements, which shall include provisions that:

(1) The individual participating in the KanLearn program shall attend school in accordance with KanLearn program requirements and shall satisfy the academic progress requirements of the KanLearn program;

(2) the secretary of social and rehabilitation services shall provide the incentive payment to the individual if the

individual attends school in accordance with KanLearn program requirements and satisfies the academic progress requirements of the KanLearn program; and

(3) the secretary may impose a monetary penalty to reduce the cash assistance under subsection (b) of K.S.A. 39-709, and amendments thereto, and other penalties terminating other special financial assistance payments or child care services provided under the KanLearn program, if the individual participating in the KanLearn program does not attend school in accordance with KanLearn program requirements or does not satisfy the academic progress requirements of the KanLearn program.

(e) Within the limits of appropriations therefor, if the KanLearn participant demonstrates the need to purchase child care services in order to attend school and these services are available, child care services shall be provided to each such participant in the KanLearn program through reimbursement of private child care providers or through state child care centers. Reimbursement to private child care providers shall not exceed the fee charged to private clients for the same service and may be lower than such fee if the private child care provider agrees to charge a lower fee.

(f) If the secretary of social and rehabilitation services obtains the waivers to federal program requirements under subsection (i), the secretary shall implement the KanLearn program beginning with the commencing fall school term after such waivers have been obtained.

(g) Initially, the provisions of this act shall be implemented as a pilot program in three counties or areas of this state which are also counties or areas of this state in which the program established under the KanWork act has been implemented. The secretary of social and rehabilitation services shall designate the counties or areas of this state in which the KanLearn pilot programs will be implemented. After the fiscal year in which the pilot program commences, the KanLearn program may be implemented in additional counties or areas of this state

only upon specific authorization of such expansion by appropriation or other act of the legislature.

(h) The secretary of social and rehabilitation services shall provide for one or more independent evaluations of the KanLearn program, including the pilot program, utilizing control groups. The secretary shall report on such evaluations and the activities under the KanLearn program, including the pilot program, during each regular legislative session to the committee on appropriations of the house of representatives, the committee on ways and means of the senate and to other committees of the legislature upon request of such committees.

(i) The secretary of social and rehabilitation services shall seek waivers from program requirements of the federal government as may be needed to carry out the provisions of the KanLearn act and to maximize federal matching and other funds with respect to the KanLearn program established under such act. The secretary of social and rehabilitation services shall implement the KanLearn program under this act only if such waivers to federal program requirements have been obtained from the federal government.

(j) The provisions of this section shall expire on July 1, 1997.

1 years shall be increased annually by a percentage equal to the pre-
2 vious year's increase in the ~~national~~ consumer price index as pub-
3 lished annually as soon after December 31 each year as possible by
4 the secretary of state in the Kansas register.

5 (3) Interest earned on an individual development account shall
6 be exempt from state income taxation as adjusted gross income in
7 this state.

8 (4) Upon agreement between an employer and employee, an
9 employer may contribute to the employee's individual development
10 account, subject to the restrictions in subsection (6)(A).

11 (5) The individual development account shall be established as
12 a trust under the laws of this state and placed with a trustee. The
13 trustee shall utilize the trust assets solely for the purpose of paying
14 the educational, ~~home ownership or health care~~ expenses of the
15 account holder.

16 (6) Individual development account funds may be withdrawn by
17 the account holder at any time for any purpose, subject to the
18 following restrictions and penalties:

19 (A) There shall be a distribution penalty for withdrawal of in-
20 dividual development account funds by the account holder. Such
21 penalty shall be 25% of the amount of interest earned as of the date
22 of withdrawal on the account, and, upon such withdrawal, the in-
23 terest earned during the tax year in which withdrawal occurs shall
24 be subject to state income taxation;

25 (B) withdrawals shall be permitted without penalty for the pur-
26 poses for which the individual development account was created.

27 (7) Upon the death of the account holder, the account principal,
28 as well as any interest accumulated thereon, shall be distributed to
29 the decedent's estate and taxed as part of the estate.

30 New Sec. 8. (a) The secretary of social and rehabilitation services
31 shall seek a waiver under federal law to allow two-parent families
32 otherwise eligible for aid to families with dependent children to be
33 eligible even though the principal wage earner may be working more
34 than the allowable hours per month and have not worked in the
35 required quarters of the year or earned less than required in such
36 quarters of the year, or both; to allow pregnant women otherwise
37 eligible for aid to families with dependent children to be eligible
38 for aid to families with dependent children from the first month of
39 pregnancy; and to allow children otherwise eligible for aid to families
40 with dependent children foster care to be eligible even though the
41 child's family does not meet aid to families with dependent children
42 criteria.

43 (b) As used in this section, terms have the meanings provided

3-10
As used in this paragraph (2), "consumer price index" means the
twelve-month average of the consumer price index for all urban consumers
United States city average which is published by the United States
department of labor.

1 by K.S.A. 39-702 and amendments thereto.

2 New Sec. 9. (a) As used in this section:

3 (1) "Plan" means the electronic funds transfer remittance plan
4 established under this section.

5 (2) "Secretary" means the secretary of social and rehabilitation
6 services.

7 (b) The secretary of social and rehabilitation services, with the
8 assistance of the director of accounts and reports, shall apply for
9 approval from the federal government to develop and implement in
10 accordance with this section an electronic funds transfer remittance
11 plan which will provide that monetary payments made to each recipient
12 of public assistance under article 7 of chapter 39 of the Kansas
13 Statutes Annotated and acts amendatory of the provisions thereof or
14 supplemental thereto. ~~On and after January 1, 1995, all monetary~~

15 payments made to public assistance recipients in those counties in
16 this state in which the KanWork program has been implemented
17 and which have been selected by the secretary for the purposes of

18 this section shall be made through such electronic funds transfer
19 remittance plan. The plan shall provide that on and after January

20 1, 1995, each public assistance recipient, or a person on behalf of
21 the public assistance recipient as authorized by the secretary, who
22 resides in a county in this state in which the KanWork program has

23 been implemented and which has been selected by the secretary
24 for the purposes of this section shall be provided benefits under this
25 plan.

26 (c) On or before December 31, 1995, the secretary of social and
27 rehabilitation services shall submit to the governor and to the legislature
28 a report describing how the electronic funds transfer remittance plan
29 was implemented, the results of the operation of the plan during the pilot
30 phase, including any cost savings which have occurred as a result of the plan,
31 and any recommendations which the secretary may have with respect to the
32 administration of the plan.

33
34 Sec. 10. K.S.A. 39-709 is hereby amended to read as follows:
35 39-709. (a) *General eligibility requirements for assistance for which*
36 *federal moneys are expended.* Subject to the additional requirements
37 below, assistance in accordance with plans under which federal mon-
38 eys are expended may be granted to any needy person who:

39 (1) Has insufficient income or resources to provide a reasonable
40 subsistence compatible with decency and health. Where a husband
41 and wife are living together, the combined income or resources of
42 both shall be considered in determining the eligibility of either or

[, food stamps and medical assistance benefits

[be made through an electronic funds transfer remittance system

[Beginning during May, 1995, the secretary shall establish a pilot project
which provides that

[, food stamps and medical assistance benefits

[pilot project

[pilot project shall provide that

[the pilot project

[pilot project

[On and after August 1, 1995, the secretary shall implement the electronic
funds transfer remittance plan on a state-wide basis.

[pilot project and

1 secretary, in determining need of any applicant for or recipient of
2 assistance shall not take into account the financial responsibility of
3 any individual for any applicant or recipient of assistance unless such
4 applicant or recipient is such individual's spouse or such individual's
5 minor child or minor stepchild if the stepchild is living with such
6 individual. The secretary in determining need of an individual may
7 provide such income and resource exemptions as may be permitted
8 by federal law.

9 (2) Is a citizen of the United States or is an alien lawfully admitted
10 to the United States and who is residing in the state of Kansas.

11 (b) *Assistance to families with dependent children.* Assistance may
12 be granted under this act to any dependent child, or relative, subject
13 to the general eligibility requirements as set out in subsection (a),
14 who resides in the state of Kansas or whose parent or other relative
15 with whom the child is living resides in the state of Kansas. Such
16 assistance shall be known as aid to families with dependent children.

17 (c) *Aid to families with dependent children; assignment of support*
18 *rights and limited power of attorney.* By applying for or receiving
19 aid to families with dependent children such applicant or recipient
20 shall be deemed to have assigned to the secretary on behalf of the
21 state any accrued, present or future rights to support from any other
22 person such applicant may have in such person's own behalf or in
23 behalf of any other family member for whom the applicant is applying
24 for or receiving aid. *If the applicant for or recipient of aid to families*
25 *with dependent children is an unmarried mother of the dependent*
26 *child, as a condition of eligibility for aid to families with dependent*
27 *children, the unmarried mother shall identify by name and, if known,*
28 *by current address the father of the dependent child, except that*
29 *the secretary of social and rehabilitation services may adopt by rules*
30 *and regulations exceptions to this requirement in cases of undue*
31 *hardship.* In any case in which an order for child support has been
32 established and the legal custodian and obligee under the order
33 surrenders physical custody of the child to a caretaker relative with-
34 out obtaining a modification of legal custody and support rights on
35 behalf of the child are assigned pursuant to this section, the surrender
36 of physical custody and the assignment shall transfer, by operation
37 of law, the child's support rights under the order to the secretary
38 on behalf of the state. Such assignment shall be of all accrued,
39 present or future rights to support of the child surrendered to the
40 caretaker relative. The assignment of support rights shall automati-
41 cally become effective upon the date of approval for or receipt of
42 such aid without the requirement that any document be signed by
43 the applicant, recipient or obligee. By so doing for or receiving aid

Where husband and wife are living together both shall register for work under the program requirement for aid to families with dependent children in accordance with criteria and guidelines prescribed by rules and regulations of the secretary.

1 to families with dependent children, or by surrendering physical
2 custody of a child to a caretaker relative who is an applicant or
3 recipient of such assistance on the child's behalf, the applicant, re-
4 cipient or obligee is also deemed to have appointed the secretary,
5 or the secretary's designee, as an attorney in fact to perform the
6 specific act of negotiating and endorsing all drafts, checks, money
7 orders or other negotiable instruments representing support pay-
8 ments received by the secretary in behalf of any person applying
9 for, receiving or having received such assistance. This limited power
10 of attorney shall be effective from the date the secretary approves
11 the application for aid and shall remain in effect until the assignment
12 of support rights has been terminated in full.

13 (d) *Eligibility requirements for general assistance, the cost of*
14 *which is not shared by the federal government.* (1) General assistance
15 may be granted to eligible persons who do not qualify for financial
16 assistance in a program in which the federal government participates
17 and who satisfy the additional requirements prescribed by or under
18 this subsection (d).

19 (A) To qualify for general assistance in any form a needy person
20 must have insufficient income or resources to provide a reasonable
21 subsistence compatible with decency and health and, except as pro-
22 vided for transitional assistance, be a member of a family in which
23 a minor child or a pregnant woman resides or be unable to engage
24 in employment. The secretary shall adopt rules and regulations pre-
25 scribing criteria for establishing when a minor child may be consid-
26 ered to be living with a family and whether a person is able to
27 engage in employment, including such factors as age or physical or
28 mental condition. Eligibility for general assistance, other than tran-
29 sitional assistance, is limited to families in which a minor child or
30 a pregnant woman resides or to an adult or family in which all legally
31 responsible family members are unable to engage in employment.
32 Where a husband and wife are living together the combined income
33 or resources of both shall be considered in determining the eligibility
34 of either or both for such assistance unless otherwise prohibited by
35 law. The secretary in determining need of any applicant for or re-
36 cipient of general assistance shall not take into account the financial
37 responsibility of any individual for any applicant or recipient of gen-
38 eral assistance unless such applicant or recipient is such individual's
39 spouse or such individual's minor child or a minor stepchild if the
40 stepchild is living with such individual. In determining the need of
41 an individual, the secretary may provide for income and resource
42 exemptions.

43 (B) To qualify for general assistance in any form a needy person

1 must be a citizen of the United States or an alien lawfully admitted
2 to the United States and must be residing in the state of Kansas.

3 (2) General assistance in the form of transitional assistance may
4 be granted to eligible persons who do not qualify for financial as-
5 sistance in a program in which the federal government participates
6 and who satisfy the additional requirements prescribed by or under
7 this subsection (d), but who do not meet the criteria prescribed by
8 rules and regulations of the secretary relating to inability to engage
9 in employment or are not a member of a family in which a minor
10 or a pregnant woman resides.

11 (3) In addition to the other requirements prescribed under this
12 subsection (d), the secretary shall adopt rules and regulations which
13 establish community work experience program requirements for el-
14 igibility for the receipt of general assistance in any form and which
15 establish penalties to be imposed when a work assignment under a
16 community work experience program requirement is not completed
17 without good cause. The secretary may adopt rules and regulations
18 establishing exemptions from any such community work experience
19 program requirements. A first time failure to complete such a work
20 assignment requirement shall result in ineligibility to receive general
21 assistance for a period fixed by such rules and regulations of not
22 more than three calendar months. A subsequent failure to complete
23 such a work assignment requirement shall result in a period fixed
24 by such rules and regulations of ineligibility of not more than six
25 calendar months.

26 (4) If any person is found guilty of the crime of theft under the
27 provisions of K.S.A. 39-720 and amendments thereto, such person
28 shall thereby become forever ineligible to receive any form of general
29 assistance under the provisions of this subsection (d) unless the con-
30 viction is the person's first conviction under the provisions of K.S.A.
31 39-720 and amendments thereto or the law of any other state con-
32 cerning welfare fraud. First time offenders convicted of a misde-
33 meanor under the provisions of such statute shall become ineligible
34 to receive any form of general assistance for a period of 12 calendar
35 months from the date of conviction. First time offenders convicted
36 of a felony under the provisions of such statute shall become inel-
37 igible to receive any form of general assistance for a period of 60
38 calendar months from the date of conviction. If any person is found
39 guilty by a court of competent jurisdiction of any state other than
40 the state of Kansas of a crime involving welfare fraud, such person
41 shall thereby become forever ineligible to receive any form of general
42 assistance under the provisions of this subsection (d) unless the con-
43 viction is the person's first conviction under the law of any other

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1 state concerning welfare fraud. First time offenders convicted of a
2 misdemeanor under the law of any other state concerning welfare
3 fraud shall become ineligible to receive any form of general assistance
4 for a period of 12 calendar months from the date of conviction. First
5 time offenders convicted of a felony under the law of any other state
6 concerning welfare fraud shall become ineligible to receive any form
7 of general assistance for a period of 60 calendar months from the
8 date of conviction.

9 (e) *Requirements for medical assistance for which federal moneys*
10 *or state moneys or both are expended.* When the secretary has
11 adopted a medical care plan under which federal moneys or state
12 moneys or both are expended, medical assistance in accordance with
13 such plan shall be granted to any person who is a citizen of the
14 United States or who is an alien lawfully admitted to the United
15 States and who is residing in the state of Kansas, whose resources
16 and income do not exceed the levels prescribed by the secretary.
17 In determining the need of an individual, the secretary may provide
18 for income and resource exemptions and protected income and re-
19 source levels. Resources from inheritance shall be counted. A dis-
20 claimer of an inheritance pursuant to K.S.A. 59-2291 and amend-
21 ments thereto shall constitute a transfer of resources. The secretary
22 shall exempt principal and interest held in irrevocable trust pursuant
23 to subsection (c) of K.S.A. 16-303 and amendments thereto from the
24 eligibility requirements of applicants for and recipients of medical
25 assistance. Such assistance shall be known as medical assistance.

26 (f) *Eligibility for medical assistance of resident receiving medical*
27 *care outside state.* A person who is receiving medical care including
28 long-term care outside of Kansas whose health would be endangered
29 by the postponement of medical care until return to the state or by
30 travel to return to Kansas, may be determined eligible for medical
31 assistance if such individual is a resident of Kansas and all other
32 eligibility factors are met. Persons who are receiving medical care
33 on an ongoing basis in a long-term medical care facility in a state
34 other than Kansas and who do not return to a care facility in Kansas
35 when they are able to do so, shall no longer be eligible to receive
36 assistance in Kansas unless such medical care is not available in a
37 comparable facility or program providing such medical care in Kan-
38 sas. For persons who are minors or who are under guardianship,
39 the actions of the parent or guardian shall be deemed to be the
40 actions of the child or ward in determining whether or not the person
41 is remaining outside the state voluntarily.

42 (g) *Medical assistance; assignment of rights to medical support*
43 *and limited power of attorney; recovery from estates of deceased*

1 recipients. (1) Except as otherwise provided in K.S.A. 39-786 and
2 39-787, and amendments thereto, or as otherwise authorized on and
3 after September 30, 1989, under section 303 and amendments
4 thereto of the federal medicare catastrophic coverage act of 1988,
5 whichever is applicable, by applying for or receiving medical assis-
6 tance under a medical care plan in which federal funds are expended,
7 any accrued, present or future rights to support and any rights to
8 payment for medical care from a third party of an applicant or
9 recipient and any other family member for whom the applicant is
10 applying shall be deemed to have been assigned to the secretary on
11 behalf of the state. The assignment shall automatically become ef-
12 fective upon the date of approval for such assistance without the
13 requirement that any document be signed by the applicant or re-
14 cipient. By applying for or receiving medical assistance the applicant
15 or recipient is also deemed to have appointed the secretary, or the
16 secretary's designee, as an attorney in fact to perform the specific
17 act of negotiating and endorsing all drafts, checks, money orders or
18 other negotiable instruments, representing payments received by the
19 secretary in behalf of any person applying for, receiving or having
20 received such assistance. This limited power of attorney shall be
21 effective from the date the secretary approves the application for
22 assistance and shall remain in effect until the assignment has been
23 terminated in full. The assignment of any rights to payment for
24 medical care from a third party under this subsection shall not pro-
25 hibit a health care provider from directly billing an insurance carrier
26 for services rendered if the provider has not submitted a claim
27 covering such services to the secretary for payment. Support amounts
28 collected on behalf of persons whose rights to support are assigned
29 to the secretary only under this subsection and no other shall be
30 distributed pursuant to subsection (d) of K.S.A. 39-756 and amend-
31 ments thereto, except that any amounts designated as medical sup-
32 port shall be retained by the secretary for repayment of the un-
33 reimbursed portion of assistance. Amounts collected pursuant to the
34 assignment of rights to payment for medical care from a third party
35 shall also be retained by the secretary for repayment of the unreim-
36 bursed portion of assistance.

37 (2) The amount of any medical assistance paid after June 30,
38 1992, under the provisions of subsection (e) is (A) a claim against
39 the property or any interest therein belonging to and a part of the
40 estate of any deceased recipient or, if there is no estate, the estate
41 of the surviving spouse, if any, shall be charged for such medical
42 assistance paid to either or both, and (B) a claim against any funds
43 of such recipient or spouse in any account under K.S.A. 9-1215, 9-

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1 1216, 17-2263, 17-2264, 17-5828 or 17-5829 and amendments thereto.
2 There shall be no recovery of medical assistance correctly paid to
3 or on behalf of an individual under subsection (e) except after the
4 death of the surviving spouse of the individual, if any, and only at
5 a time when the individual has no surviving child who is under 21
6 years of age or is blind or permanently and totally disabled. Transfers
7 of real or personal property by recipients of medical assistance with-
8 out adequate consideration are voidable and may be set aside. Except
9 where there is a surviving spouse, or a surviving child who is under
10 21 years of age or is blind or permanently and totally disabled, the
11 amount of any medical assistance paid under subsection (e) is a claim
12 against the estate in any guardianship or conservatorship proceeding.
13 The monetary value of any benefits received by the recipient of such
14 medical assistance under long-term care insurance, as defined by
15 K.S.A. 40-2227 and amendments thereto, shall be a credit against
16 the amount of the claim provided for such medical assistance under
17 this subsection (g). The secretary is authorized to enforce each claim
18 provided for under this subsection (g). The secretary shall not be
19 required to pursue every claim, but is granted discretion to deter-
20 mine which claims to pursue. All moneys received by the secretary
21 from claims under this subsection (g) shall be deposited in the social
22 welfare fund. The secretary may adopt rules and regulations for the
23 implementation and administration of the medical assistance recovery
24 program under this subsection (g).

25 (h) *Placement under code for care of children or juvenile of-*
26 *fenders code; assignment of support rights and limited power of*
27 *attorney.* In any case in which the secretary of social and rehabil-
28 itation services pays for the expenses of care and custody of a child
29 pursuant to K.S.A. 38-1501 *et seq.* or 38-1601 *et seq.*, and amend-
30 ments thereto, including the expenses of any foster care placement,
31 an assignment of all past, present and future support rights of the
32 child in custody possessed by either parent or other person entitled
33 to receive support payments for the child is, by operation of law,
34 conveyed to the secretary. Such assignment shall become effective
35 upon placement of a child in the custody of the secretary or upon
36 payment of the expenses of care and custody of a child by the
37 secretary without the requirement that any document be signed by
38 the parent or other person entitled to receive support payments for
39 the child. When the secretary pays for the expenses of care and
40 custody of a child or a child is placed in the custody of the secretary,
41 the parent or other person entitled to receive support payments for
42 the child is also deemed to have appointed the secretary, or the
43 secretary's designee, as attorney in fact to perform the specific act

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1 of negotiating and endorsing all drafts, checks, money orders or other
 2 negotiable instruments representing support payments received by
 3 the secretary on behalf of the child. This limited power of attorney
 4 shall be effective from the date the assignment to support rights
 5 becomes effective and shall remain in effect until the assignment of
 6 support rights has been terminated in full.

7 ~~(i) No person who voluntarily quits employment or who is fired~~
 8 ~~from employment due to gross misconduct as defined by rules and~~
 9 ~~regulations of the secretary or who is a fugitive from justice by~~
 10 ~~reason of a felony conviction or charge shall be eligible to receive~~
 11 ~~public assistance benefits in this state.~~

Any recipient of public assistance who fails to timely comply with monthly reporting requirements under criteria and guidelines prescribed by rules and regulations of the secretary shall be subject to a penalty established by the secretary by rules and regulations.

12 Sec. 11. K.S.A. 39-7,104 is hereby amended to read as follows:
 13 39-7,104. (a) The secretary of social and rehabilitation services shall
 14 provide for the evaluation of public assistance recipients to determine
 15 whether such persons are required to participate in the KanWork
 16 program ~~and whether such persons are employable~~. All public as-
 17 sistance recipients not required to participate in the KanWork pro-
 18 gram ~~who are employable~~ shall be encouraged to participate in such
 19 program. The secretary also shall provide for the evaluation of
 20 KanWork participants to assess the appropriate level of services
 21 needed by such participants under the KanWork program; shall pro-
 22 vide initial employability screening, goal setting, identification of
 23 support service needs and development of timelines for completion
 24 of activities; and shall establish and enter into with such participants
 25 written contracts of participant self-sufficiency.

See attached. New Sec. 11.

Renumber subsequent sections accordingly

26 (b) The secretary of social and rehabilitation services and the
 27 secretary of human resources shall enter into an agreement which
 28 provides that all recipients of aid to families with dependent children
 29 who are required to register under the KanWork program and who
 30 are determined by the secretary of social and rehabilitation services
 31 to be job-ready shall initially be referred to the secretary of human
 32 resources for the following services: Determination and provision of
 33 employment occupational assessment, goal setting and training serv-
 34 ices and such other services as the secretary may deem appropriate
 35 within the provisions of this act.

30 months, inclusive of any educational program under KanWork

36 (c) ~~A KanWork participant who is determined to be employable~~
 37 ~~shall not be eligible to participate in the KanWork program for more~~
 38 ~~than two years.~~ Except as otherwise provided in this subsection, a
 39 KanWork participant under the KanWork program shall not be el-
 40 igible to receive any public assistance for three years subsequent to
 41 the time participation in the KanWork program ceases. Notwith-
 42 standing the foregoing provisions of this subsection, a KanWork
 43 participant who fails to become employed while participating in the

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New Sec. 11. (a) The secretary of social and rehabilitation services shall make program modifications to the aid to families with dependent children program of the department of social and rehabilitation services to include a family investment agreement program that will provide for implementation of family investment agreements in accordance with policies, prescribed by rules and regulations adopted by the secretary of social and rehabilitation services, which shall include provisions prescribing the following:

(1) Limiting the period of eligibility for aid to families with dependent children based on the requirements of an individual family's plan for self-sufficiency, which shall be specified in a family investment agreement between the family and the secretary of social and rehabilitation services;

(2) that each family investment agreement shall include a specific plan that the individual will follow to achieve self-sufficiency and shall include the time periods within which specified goals within the plan are to be achieved in order to comply with the agreement;

(3) that an individual shall be subject to a family investment agreement if the individual is a parent, or other caretaker, living in a home with a child for whom assistance is applied for or provided and that such individual shall enter into a family investment agreement unless:

(A) The individual is a parent, or other caretaker, of a child who is less than three months of age, except that: (i) If both parents, or other caretakers, are in the child's home, this exception shall apply only to one parent, and (ii) the secretary may require an individual who is a teen-aged parent to participate in high school completion activities;

(B) the individual is working 30 or more hours per week; or

(C) the individual is completely unable to participate in any option under the family investment agreement program due to a disability;

(4) a family investment agreement shall require an individual to participate in one or more options, which shall be prescribed by the secretary of social and rehabilitation

services, in accordance with requirements and assistance provisions for child care and transportation for each option as provided in rules and regulations of the secretary of social and rehabilitation services defining such requirements and assistance provisions, and which shall include, but are not limited to, the following options:

(A) Full-time or part-time employment;

(B) active job search;

(C) participation in the community work experience program and other work-related programs of the secretary of social and rehabilitation services;

(D) participation in the KanWork program or other education or training programs, excluding participants with children under the age of three;

(E) work experience placement;

(F) unpaid community service with any not-for-profit association or organization which has been determined to be under section 501(c)(3) of the federal internal revenue code of 1986 and exempt from federal income taxation or with any government agency; under any community service option the individual shall be provided with a listing of potential community service placements, except that an individual shall locate such individual's own community service placement and shall perform the number of hours of community service required by the family investment agreement, and shall not be required to select the individual's community service placement from the list provided by the secretary; and under any community service option the individual shall be required to file a monthly report verifying the community service hours performed by the individual; and

(G) if the individual participates in at least one other option, any other option or arrangement which would strengthen the individual's ability to be a better parent, including but not limited to participation in a parenting education program;

(5) provisions that the terms and requirements of each family investment agreement shall be subject to modification or extension in accordance with criteria and guidelines specified by rules and regulations adopted by the secretary of social and

rehabilitation services and that if an individual fails to comply with the terms of the individual's family investment agreement during the period of the agreement, penalties under the federal job opportunities and basic skills (JOBS) program and the KanWork program shall be applied in accordance with compliance criteria prescribed by rules and regulations adopted by the secretary of social and rehabilitation services, which shall include provisions prescribing ineligibility for assistance for persons who voluntarily quit employment without good cause or who is terminated from employment for gross misconduct in accordance with definitions, criteria and guidelines specified by rules and regulations adopted by the secretary of social and rehabilitation services; and

(6) provisions that upon the completion of the terms of the family investment agreement, aid to families with dependent children assistance to a recipient covered by the agreement shall cease or be reduced in accordance with rules and regulations adopted by the secretary of social and rehabilitation services.

(b) The secretary of social and rehabilitation services may contract with other state agencies or with local governmental or private entities for the provisions of services relating to family investment agreements and shall adopt rules and regulations for the implementation and administration of the provisions of this section, including guidelines and criteria for determination of when an individual or family is again eligible to receive aid for families with dependent children. Nothing in this section shall be construed to require KanWork participation of those providing care for a child of less than three years of age.

(c) The secretary of social and rehabilitation services shall seek waivers from program requirements of the federal government as may be needed to carry out the provisions of this section and to maximize federal matching and other funds with respect to the provisions of this section. The secretary of social and rehabilitation services shall implement the provisions of this section only if such waivers to federal program requirements have been obtained from the federal government.

1 *KanWork program is authorized to receive transitional services under*
2 *K.S.A. 39-7,107 and amendments thereto from the date such par-*
3 *ticipation in the KanWork program ceases until the maximum time*
4 *specified under K.S.A. 39-7,107 and amendments thereto for which*
5 *transitional services may be provided.*

6 {e} (d) KanWork participants may bring grievances and appeal
7 decisions of the secretary under the KanWork program in accordance
8 with grievance and appeal procedures established by the secretary
9 by rules and regulations.

10 Sec. 12. K.S.A. 39-7,105 is hereby amended to read as follows:
11 39-7,105. (a) Within the limits of appropriations therefor and to the
12 extent allowed under any applicable federal law or rule and regulation
13 adopted pursuant thereto, the secretary shall establish and make
14 available to eligible public assistance recipients the job preparation,
15 training and education component of the KanWork program.

16 (b) The job preparation element of the job preparation, training
17 and education component includes, but is not limited to, the fol-
18 lowing:

19 (1) Unsupervised job search, in which the participant individually
20 seeks work and makes periodic progress reports to the secretary or
21 an agency contracting with the secretary.

22 (2) Supervised job search which includes, but is not limited to,
23 access to telephones to contact prospective employers, job orders,
24 direct referrals to employers, or other organized methods of seeking
25 work which are overseen, reviewed and critiqued by the secretary
26 or an agent of the secretary. The amount and type of activity required
27 during this supervised job search period shall be determined by the
28 secretary and the participant, based on the participant's employment
29 history and need for supportive services and shall be consistent with
30 rules and regulations adopted by the secretary.

31 (3) Job club workshops, including group or individual training
32 sessions, where participants learn various job finding and job reten-
33 tion skills. Workshops shall be conducted by persons trained in
34 employment counseling. The skills taught in job clubs shall include
35 preparation of an application, writing a resume, interviewing tech-
36 niques, understanding employer requirements and expectations, tel-
37 ephone canvassing for job leads, proper dress and conduct on the
38 job and ways to enhance self-esteem, self-image and confidence.

39 (4) Job referral and placement services.

40 (5) Employment counseling to assist persons to reach informed
41 decisions on appropriate employment goals.

42 (c) The training and education element of the job preparation,
43 training and education component includes, but is not limited to,

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1 the following:

2 (1) Job training which includes, but is not limited to, training in
3 industry-specific job skills in a classroom or onsite setting, including
4 training provided by private industry, universities, community col-
5 leges, state and local agencies and school districts.

6 (2) Community work experience for a public or nonprofit agency
7 that provides the participant the opportunity to develop basic work
8 skills, practice and improve existing skills and acquire on-the-job
9 experience established in accordance with the provisions of subsec-
10 tion (g) of K.S.A. 39-708c and amendments thereto or subsection
11 (d)(B)(3) of K.S.A. 39-709 and amendments thereto, or both such
12 sections.

13 (3) Work experience through a grant diversion program which
14 the secretary is hereby authorized to implement in which an em-
15 ployer receives a wage subsidy from money diverted in accordance
16 with law from public assistance grants. Grant diversion shall be
17 implemented through a contract entered into by the secretary and
18 the employer.

19 (4) *Work experience through employment with state government*
20 *or local governmental units in work which otherwise would have*
21 *gone undone, if the participant is unable to be placed in other*
22 *employment. The state government and local governmental units may*
23 *cooperate with the secretary of social and rehabilitation services in*
24 *developing and making available such employment opportunities.*

25 (4) (5) Remedial education, which shall include adult basic ed-
26 ucation, high school completion and general equivalency diploma
27 instruction. *Only participants deemed able to become substantially*
28 *more employable for an educational experience shall be placed in*
29 *remedial education.*

30 (5) (6) College and community college education, when that ed-
31 ucation provides sufficient employment skills training which can be
32 expected to lead to employment based on a labor market needs
33 assessment. *Only participants deemed capable of becoming substan-*
34 *tially more employable from such an educational experience shall be*
35 *placed in this education component.*

36 (6) (7) Vocational training in a community college, vocational
37 technical school or local school district program which can be ex-
38 pected to lead to employment based upon a labor market needs
39 assessment.

40 (7) (8) English language instruction for non-English speaking par-
41 ticipants.

42 (8) (9) Other programs that may be made available through fed-
43 eral legislation authorizing employment and training programs for

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1 public assistance recipients.

2 (10) No participant who has graduated from high school shall
3 participate in any educational program under the KanWork act for
4 more than ~~one year~~. A participant who has not graduated from high
5 school but who the secretary determines is able to obtain general
6 educational development credentials within nine months after be-
7 coming a KanWork participant may participate in the educational
8 program under the KanWork act, but such educational program
9 participation under the KanWork program shall be limited to ~~one~~
10 ~~year~~ after the participant has received the general educational de-
11 velopment credentials.

30 months

12 (d) Workers assigned to state agencies under the KanWork pro-
13 gram may participate in classified civil service examinations equiv-
14 alent to the position occupied, as well as any other civil service
15 examination for which the participant is qualified, and experience in
16 the position occupied by the participant shall be included in deter-
17 mining whether the participant meets the experience requirements
18 for the particular position under the Kansas civil service act.

30 months less the period of time required for the participant to obtain
general educational development credentials

19 (e) The secretary may enter into contracts with community serv-
20 ice providers for job development and service provision.

New Sec. . See attached.

21 New Sec. 13. The secretary of social and rehabilitation services
22 shall not implement any provision of this act if the secretary deter-
23 mines that implementing such provision would have the effect of
24 reducing or eliminating federal matching funds or other federal funds.
25 If the secretary makes this determination, the secretary shall apply
26 for a waiver from the federal department of health and human re-
27 sources, or other appropriate federal agency, for authorization to
28 implement such provision without reducing or eliminating such fed-
29 eral matching funds or other funds. Upon the granting of such waiver
30 under federal law, the secretary shall implement such provision of
31 this act.

32 Sec. 14. K.S.A. 39-709, 39-7,104 and 39-7,105 are hereby re-
33 pealed.

34 Sec. 15. This act shall take effect and be in force from and after
35 its publication in the statute book.

New Sec. . (a) The secretary of social and rehabilitation services shall make program modifications to the aid to families with dependent children program of the department of social and rehabilitation services, to include a work-and-earn incentive program containing provisions such that:

(1) If an individual's earned income is considered, the individual shall be allowed a work-and-earn incentive adjustment to assistance which shall be determined in accordance with policies prescribed by rules and regulations adopted by the secretary of social and rehabilitation services and shall include an incentive disregard of the amount equal to \$90 plus 40% of the gross monthly earned income above \$90 which is available to the individual, with (A) the individual's eligibility continuing until the individual's combined wages, food stamp benefits, earned income tax credit, and other resources approximate 100% of the federal poverty level, (B) no time limit on the incentive disregard, (C) no application of any other time-limited, work-related income disregard when the work-and-earn incentive program is applicable, and (D) no penalty under the work-and-earn incentive program for failure to comply with program requirements; and

(2) if an individual's earned income is considered, the individual shall be allowed a work expense deduction from the earned income, which shall include, as provided in rules and regulations of the secretary of social and rehabilitation services, generally all work-related expenses, other than day care, and shall include specifically: Taxes, transportation expenses, meal expenses and acquisition and maintenance expense for required uniforms.

(b) The secretary of social and rehabilitation services shall seek waivers from program requirements of the federal government as may be needed to carry out the provisions of this section and to maximize federal matching and other funds with respect to the provisions of this section. The secretary of social and rehabilitation services shall implement the provisions of this section only if such waivers to federal program requirements have been obtained from the federal government.

(a) As used in this section: "Individual assistance support trust" means a trust created by a not-for-profit corporation which is a 501(c)(3) organization under the federal internal revenue code of 1986 and which was organized for the purpose of receiving money pursuant to an agreement under this section.

(b) There is hereby established in the state treasury the state individual assistance support trust fund.

(c) On the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the state individual assistance support trust fund, the amount of money certified by the pooled money investment board in accordance with this subsection. Prior to the 10th of each month, the pooled money investment board shall certify to the director of accounts and reports the amount of money equal to the proportionate amount of all the interest credited to the state general fund for the preceding period of time specified under this subsection, pursuant to K.S.A. 75-4210a and amendments thereto, that is attributable to money in the state individual assistance support trust fund. Such amount of money shall be determined by the pooled money investment board based on:

(1) The average daily balance of moneys in the state individual assistance support trust fund during the period of time specified under this subsection as certified to the board by the director of accounts and reports; and

(2) the average interest rate on repurchase agreements of less than 30 days duration entered into by the pooled money investment board for that period of time. On or before the fifth day of the month for the preceding month, the director of accounts and reports shall certify to the pooled money investment board the average daily balance of moneys in the state individual assistance support trust fund for the period of time specified under this subsection.

(d) The secretary of social and rehabilitation services may accept moneys from an individual assistance support trust for

deposit in the state individual assistance support trust fund pursuant to an agreement with the individual assistance support trust for purposes of matching federal funds. The individual assistance support trust may retain 5% of any grant it receives for purposes of this section. The secretary shall deposit 10% of such moneys in the state general fund and 5% of such moneys shall be deposited in the state general fund and credited to the social welfare fund. The balance of such moneys shall be deposited in a separate account in the state individual assistance support trust fund for each grant so received. The moneys in each such account shall be expended by the secretary, in accordance with rules and regulations of the secretary, only for the purpose of matching federal funds in accordance with the terms of the agreement. Interest earned on moneys in the trust fund and transferred to the trust fund under subsection (c) shall be prorated in accordance with procedures approved by the director of accounts and reports and credited monthly to each such account.

(e) If the secretary determines that the moneys cannot be used for the purpose of matching federal funds in a manner consistent with the rules and regulations of the secretary and the agreement, or upon the request of the individual assistance support trust, the remaining moneys in such account, together with any accumulated interest thereon, shall be paid to the individual assistance support trust which deposited such moneys in the state individual assistance support trust fund.

(f) The secretary shall adopt rules and regulations and procedures as may be necessary or useful for the administration of the trust fund. All payments and disbursements from the trust fund shall be made upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or by a person designated by the secretary.

Sec. .

DEPARTMENT OF HEALTH AND ENVIRONMENT

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1995, the following:

Teen pregnancy prevention activities..... \$400,627

Provided, That expenditures from this account shall be made to give highest priority to recipients of aid to families with dependent children and other medicaid-eligible teens.

Sec. .

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1995, the following:

Paternity outreach grants..... \$213,190

HOUSE BILL No. 2929

By Representatives Phill Kline and Garner, Ballard, Benlon, Boston, Bradley, Bryant, Carmody, Cornfield, Correll, Cox, Crabb, Crowell, Dawson, Dillon, Donovan, Empson, Everhart, Farmer, Flower, Freeborn, Gatlin, Glasscock, Goodwin, Graeber, Grant, Haulmark, Hayzlett, Hendrix, Henry, Jennison, Kejr, King, Phil Kline, Krehbiel, Lahti, Lane, Lawrence, Lloyd, Macy, Mason, Mayans, Mays, McClure, McKechnie, McKinney, Mead, Mills, Minor, Mollenkamp, Morrison, Myers, Neufeld, Nichols, O'Neal, Packer, Pauls, Pettey, Pottorff, Powers, Robinett, Rock, Roe, Scott, Shallenburger, Shore, M. Smith, Snowbarger, Tomlinson, Toplikar, Vickrey, Wagle, Watson, E. Wells, Wempe, Wiard and Wilk

2-4

18 AN ACT concerning social welfare; aid to families with dependent
19 children; eligibility for public assistance; state income tax credits
20 for certain persons assisting certain applicants for assistance; ex-
21 emptions from income and resources of earned income of minors
22 for educational purposes; individual development accounts; elec-
23 tronic funds transfer remittance; KanWork participation and re-
24 quirements; amending K.S.A. 39-709, 39-7,104 and 39-7,105 and
25 repealing the existing sections.

26
27 *Be it enacted by the Legislature of the State of Kansas:*

28 New Section 1. (a) Notwithstanding the provisions of any other
29 law to the contrary, no aid to families with dependent children grant
30 payment shall be made on behalf of a minor under the age of 18
31 years who has never married and who has a child or is pregnant
32 unless such minor resides with a parent, legal guardian or other
33 adult relative or in a foster home, maternity home or other adult-
34 supervised living arrangement.

35 (b) Exceptions to this section shall be allowed in any of the
36 following circumstances in accordance with requirements of the fed-
37 eral family support act of 1988:

38 (1) The individual has no parent or legal guardian who is living
39 or the whereabouts of the individual's parent or legal guardian are
40 unknown;

41 (2) the state determines that the physical health or safety of the
42 individual or the individual's child would be jeopardized; or

43 (3) the individual has lived apart from the individual's parent or

PROPOSED ALTERNATE AMENDMENTS

For Consideration by House Appropriations

3-10-94

ATTACHMENT 4

1 legal guardian for a period of at least one year prior to the birth of
2 the child or applying for benefits.

3 New Sec. 2. (a)(1) In determining the amount of assistance pay-
4 ments to a recipient family for aid to families with dependent children
5 with fewer than three dependent children at the time such assistance
6 is first received by such family on or after the effective date of this
7 act, the secretary of social and rehabilitation services shall revise the
8 schedule of benefits to be paid to such recipient family by eliminating
9 the increment in benefits under the program for which that family
10 would otherwise be eligible as a result of the birth of a third or
11 subsequent dependent child during the period in which the family
12 is eligible for aid to families with dependent children benefits, or
13 during a temporary period in which the family or adult recipient is
14 ineligible for aid to families with dependent children benefits pur-
15 suant to a penalty imposed by the secretary of social and rehabili-
16 tation services for failure to comply with benefit eligibility require-
17 ments, subsequent to which the family or adult recipient is again
18 eligible for benefits. The secretary of social and rehabilitation services
19 shall provide instead that a recipient family with fewer than three
20 dependent children at the time such assistance is first received by
21 such family on or after the effective date of this act in which the
22 adult recipient parents a third or subsequent dependent child during
23 a temporary penalty period of ineligibility for benefits may receive
24 additional benefits only pursuant to paragraph (a)(2), except in the
25 case of a general increase in the amount of aid to families with
26 dependent children benefits which is provided to all program re-
27 cipients. ↙

28 (2) In the case of a family that receives aid to families with
29 dependent children with fewer than three dependent children at the
30 time such assistance is first received by such family on or after the
31 effective date of this act in which the adult recipient parents a third
32 or subsequent dependent child during the period in which the family
33 is eligible for aid to families with dependent children benefits sub-
34 sequent to which the family of the adult recipient again becomes
35 eligible for benefits, the secretary of social and rehabilitation services,
36 subject to federal approval, in addition to eliminating the increase
37 in the benefit as provided in subsection (a)(1), shall provide that in
38 computing the amount of financial assistance that is available to the
39 family that receives aid to families with dependent children, the
40 monthly earned income disregard for each employed person in the
41 family shall increase by an amount equal to that which the family
42 would have otherwise received by parenting an additional child,
43 adjusted for family size.

42

If any recipient family for aid to families with dependent children first exceeds two dependent children as a result of a multiple birth which includes the second dependent child, then such recipient family shall be entitled to receive assistance for each dependent child from such multiple birth in accordance with the schedule of benefits adopted by the secretary of social and rehabilitation services and to the extent otherwise eligible for such assistance.

(b) (1) In determining the amount of assistance payments to a recipient family for aid to families with dependent children three or more dependent children at the time such assistance is first received by such family on or after the effective date of this act, the secretary of social and rehabilitation services shall revise the schedule of benefits to be paid to such recipient family by eliminating the increment in benefits under the program for which that family would otherwise be eligible as a result of the birth of an additional child during the period in which the family is eligible for aid to families with dependent children benefits, or during a temporary period in which the family or adult recipient is ineligible for aid to families with dependent children benefits pursuant to a penalty imposed by the secretary of social and rehabilitation services for failure to comply with benefit eligibility requirements, subsequent to which the family or adult recipient is again eligible for benefits. The secretary of social and rehabilitation services shall provide instead that a recipient family with three or more dependent children at the time such assistance is first received by such family on or after the effective date of this act in which the adult recipient parents an additional child during a temporary penalty period of ineligibility for benefits may receive additional benefits only pursuant to paragraph (b)(2), except in the case of a general increase in the amount of aid to families with dependent children benefits which is provided to all program recipients.

(2) In the case of a family that receives aid to families with dependent children with three or more dependent children at the time such assistance is first received by such family on or after the effective date of this act in which the adult recipient parents an additional child during the period in which the family is eligible for aid to families with dependent children benefits subsequent to which the family of the adult recipient again becomes eligible for benefits, the secretary of social and rehabilitation services, subject to federal approval, in addition to eliminating the increase in the benefit as provided in subsection (b)(1), shall provide that in computing the amount of financial assistance that is available to the family that receives aid to families with dependent children, the monthly earned income disregard for each employed person in the family shall increase by an amount equal to that which the family would have otherwise received by parenting an additional child, adjusted for family size.

New Sec. 3. ~~[(a) Except for grants for emergency assistance as determined by the secretary of social and rehabilitation services, no aid to families with dependent children assistance shall be granted]~~

1 to any person unless the secretary of social and rehabilitation services
2 has certified, after undertaking diligent efforts, that there is no rel-
3 ative of such person who is capable and willing to assume financial
4 support of such person without resort to public assistance. Such
5 certification shall be required prior to initial granting of such assis-
6 tance on and after the effective date of this act and, thereafter, upon
7 periodic reviews of eligibility conducted annually.

8 ~~Any person who agrees to provide financial support to a per-~~
9 ~~son under this section who would otherwise be eligible to receive~~
10 ~~aid to families with dependent children and who has entered into~~
11 ~~an agreement with the secretary of social and rehabilitation services~~
12 ~~for this purpose, in accordance with rules and regulations adopted~~
13 ~~by the secretary of social and rehabilitation services establishing the~~
14 ~~terms and conditions of such agreement, shall receive a credit against~~
15 ~~the tax liability imposed under the Kansas income tax act as provided~~
16 ~~under section 4 and amendments thereto.~~

17 New Sec. 4. (a) There shall be allowed as a credit against the
18 tax liability imposed under the Kansas income tax act of a person
19 who has entered into an agreement with the secretary of social and
20 rehabilitation services under section 3 and amendments thereto an
21 amount equal to the amount of financial assistance paid by such
22 person under section 3 and amendments thereto, as certified by the
23 secretary of social and rehabilitation services, of not to exceed the
24 amount of financial assistance which would have been paid under
25 the aid to families with dependent children program from state
26 matching contributions, as certified by the secretary of social and
27 rehabilitation services, if such person had not agreed to assume some
28 financial support.

29 (b) An individual may not claim a tax credit under this section
30 if a credit for child care and dependent care expenses was claimed
31 on either the state or federal tax return, or if the individual receives
32 payment for care of the person provided financial assistance.

33 (c) The credit allowed by this section shall not exceed the amount
34 of tax imposed under the Kansas income tax act reduced by the sum
35 of any other credits allowable pursuant to law.

36 (d) The provisions of this section shall be applicable to all taxable
37 years commencing after December 31, 1993.

38 New Sec. 5. Financial assistance provided under aid to families
39 with dependent children shall be reduced by an amount of 10% of
40 the total financial assistance from the aid to families with dependent
41 children grant provided to any one family in which a dependent
42 child who has not graduated from a high school or obtained a dec-
43 laration of equivalency of high school graduation and who is not

(a)

(b) Moneys received by the secretary under this section shall be use
to match available federal moneys for providing aid to families with
dependent children in the following manner: (1) The portion equal to 80%
of such moneys shall be credited to the state general fund, (2) the porti
equal to 15% of such moneys shall be used by the secretary to match
available federal moneys and shall be added by the secretary to the grant
of the recipient family, (3) the remaining portion equal to 5% of such
moneys shall be credited to the social welfare fund for administrative
expenses and one-time grants.

70% of

may

1 prohibited from attending school or otherwise unable to attend
2 school, as determined by the secretary of social and rehabilitation
3 services, is not attending school to obtain a high school diploma or
4 such declaration of equivalency.

5 New Sec. 6. In determining eligibility for aid to families with
6 dependent children ~~or medical assistance or other public assistance,~~
7 the secretary of social and rehabilitation services shall exclude from
8 income and resources any income earned by a minor and saved by
9 the minor for educational purposes for the minor in an individual
10 development account authorized under section 7. This earned income
11 shall be income earned by the minor and saved for educational
12 purposes in accordance with rules and regulations of the secretary
13 of social and rehabilitation services which define earned income for
14 the purposes of this section and specify the method by which such
15 income may be dedicated to educational purposes to ensure that
16 such income is used in a manner to comply with the provisions of
17 this section.

18 New Sec. 7. (a) This section may be cited as the individual de-
19 velopment account act.

20 (b) For the purposes of this section:

21 (1) "Account holder" means the individual on whose behalf the
22 individual development account is established.

23 (2) "Dependent child" means any person under the age of 21
24 years or any person who is legally entitled or subject to a court
25 order for the provision of proper and necessary subsistence and
26 education, and who is not emancipated, married or a member of
27 the armed forces of the United States.

28 (3) "Individual development account" means a trust created or
29 organized to pay for home ownership, health care or education ex-
30 penses of the account holder.

31 (4) "Trustee" means a chartered state bank or trust company
32 authorized to act as a fiduciary, a national banking association or
33 savings and loan association authorized to act as a fiduciary, or an
34 insurance company.

35 (c) (1) For taxable years beginning on or after the effective date
36 of this act, a resident of this state shall be allowed to deposit con-
37 tributions to an individual development account. ~~The~~ amount of
38 deposit for the first taxable year subsequent to the effective date of
39 this act shall not exceed:

40 (A) \$2,000 for the account holder; or

41 (B) \$2,000 for the account holder and \$1,000 for each dependent
42 child of the account holder.

43 (2) The maximum allowable amount of deposit for subsequent

or grant determinations relating thereto

Except as provided in subsection (c)(8), the

years shall be increased annually by a percentage equal to the previous year's increase in the ~~national~~ consumer price index as published annually as soon after December 31 each year as possible by the secretary of state in the Kansas register.

(3) Interest earned on an individual development account shall be exempt from state income taxation as adjusted gross income in this state.

(4) Upon agreement between an employer and employee, an employer may contribute to the employee's individual development account, subject to the restrictions in subsection (6)(A).

(5) The individual development account shall be established as a trust under the laws of this state and placed with a trustee. The trustee shall utilize the trust assets solely for the purpose of paying the educational, home ownership or health care expenses of the account holder.

(6) Individual development account funds may be withdrawn by the account holder at any time for any purpose, subject to the following restrictions and penalties:

(A) There shall be a distribution penalty for withdrawal of individual development account funds by the account holder. Such penalty shall be 25% of the amount of interest earned as of the date of withdrawal on the account, and, upon such withdrawal, the interest earned during the tax year in which withdrawal occurs shall be subject to state income taxation;

(B) withdrawals shall be permitted without penalty for the purposes for which the individual development account was created.

(7) Upon the death of the account holder, the account principal, as well as any interest accumulated thereon, shall be distributed to the decedent's estate and taxed as part of the estate.

New Sec. 8. (a) The secretary of social and rehabilitation services shall seek a waiver under federal law to allow two-parent families otherwise eligible for aid to families with dependent children to be eligible even though the principal wage earner may be working more than the allowable hours per month and have not worked in the required quarters of the year or earned less than required in such quarters of the year, or both; to allow pregnant women otherwise eligible for aid to families with dependent children to be eligible for aid to families with dependent children from the first month of pregnancy; and to allow children otherwise eligible for aid to families with dependent children foster care to be eligible even though the child's family does not meet aid to families with dependent children criteria.

(b) As used in this section, terms have the meanings provided

As used in this paragraph (2), "consumer price index" means the twelve-month average of the consumer price index for all urban consumers United States city average which is published by the United States department of labor.

(8) There shall be no limit on the amount of earned income of a dependent child, who is a recipient of aid to families with dependent children, deposited in an individual development account of such dependent child that was created or organized to pay for educational expenses of such dependent child.

by K.S.A. 39-702 and amendments thereto.

New Sec. 9. (a) As used in this section:

(1) "Plan" means the electronic funds transfer remittance plan established under this section.

(2) "Secretary" means the secretary of social and rehabilitation services.

(b) The secretary of social and rehabilitation services, with the assistance of the director of accounts and reports, shall apply for approval from the federal government to develop and implement in accordance with this section an electronic funds transfer remittance plan which will provide that monetary payments made to each recipient of public assistance under article 7 of chapter 39 of the Kansas Statutes Annotated and acts amendatory of the provisions thereof or supplemental thereto. On and after January 1, 1995, all monetary payments made to public assistance recipients in those counties in this state in which the KanWork program has been implemented and which have been selected by the secretary for the purposes of this section shall be made through such electronic funds transfer remittance plan. The plan shall provide that on and after January 1, 1995, each public assistance recipient, or a person on behalf of the public assistance recipient as authorized by the secretary, who resides in a county in this state in which the KanWork program has been implemented and which has been selected by the secretary for the purposes of this section shall be provided benefits under this plan.

, food stamps and medical assistance benefits

be made through an electronic funds transfer remittance system

, food stamps and medical assistance benefits

(c) On or before December 31, 1995, the secretary of social and rehabilitation services shall submit to the governor and to the legislature a report describing how the electronic funds transfer remittance plan was implemented, the results of the operation of the plan during the pilot phase, including any cost savings which have occurred as a result of the plan, and any recommendations which the secretary may have with respect to the administration of the plan.

Sec. 10. K.S.A. 39-709 is hereby amended to read as follows:
39-709. (a) *General eligibility requirements for assistance for which federal moneys are expended.* Subject to the additional requirements below, assistance in accordance with plans under which federal moneys are expended may be granted to any needy person who:

(1) Has insufficient income or resources to provide a reasonable subsistence compatible with decency and health. Where a husband and wife are living together, the combined income or resources of both shall be considered in determining the eligibility of either or

1 secretary, in determining need of any applicant for or recipient of
2 assistance shall not take into account the financial responsibility of
3 any individual for any applicant or recipient of assistance unless such
4 applicant or recipient is such individual's spouse or such individual's
5 minor child or minor stepchild if the stepchild is living with such
6 individual. The secretary in determining need of an individual may
7 provide such income and resource exemptions as may be permitted
8 by federal law.

9 (2) Is a citizen of the United States or is an alien lawfully admitted
10 to the United States and who is residing in the state of Kansas.

11 (b) *Assistance to families with dependent children.* Assistance may
12 be granted under this act to any dependent child, or relative, subject
13 to the general eligibility requirements as set out in subsection (a),
14 who resides in the state of Kansas or whose parent or other relative
15 with whom the child is living resides in the state of Kansas. Such
16 assistance shall be known as aid to families with dependent children.

17 (c) *Aid to families with dependent children; assignment of support*
18 *rights and limited power of attorney.* By applying for or receiving
19 aid to families with dependent children such applicant or recipient
20 shall be deemed to have assigned to the secretary on behalf of the
21 state any accrued, present or future rights to support from any other
22 person such applicant may have in such person's own behalf or in
23 behalf of any other family member for whom the applicant is applying
24 for or receiving aid. *If the applicant for or recipient of aid to families*
25 *with dependent children is an unmarried mother of the dependent*
26 *child, as a condition of eligibility for aid to families with dependent*
27 *children, the unmarried mother shall identify by name and, if known,*
28 *by current address the father of the dependent child, except that*
29 *the secretary of social and rehabilitation services may adopt by rules*
30 *and regulations exceptions to this requirement in cases of undue*
31 *hardship.* In any case in which an order for child support has been
32 established and the legal custodian and obligee under the order
33 surrenders physical custody of the child to a caretaker relative with-
34 out obtaining a modification of legal custody and support rights on
35 behalf of the child are assigned pursuant to this section, the surrender
36 of physical custody and the assignment shall transfer, by operation
37 of law, the child's support rights under the order to the secretary
38 on behalf of the state. Such assignment shall be of all accrued,
39 present or future rights to support of the child surrendered to the
40 caretaker relative. The assignment of support rights shall automat-
41 ically become effective upon the date of approval for or receipt of
42 such aid without the requirement that any document be signed by
43 the applicant, recipient or obligee. By applying for or receiving aid

Where husband and wife are living together both shall register for work under the program requirement for aid to families with dependent children in accordance with criteria and guidelines prescribed by rules and regulations of the secretary.

1 to families with dependent children, or by surrendering physical
2 custody of a child to a caretaker relative who is an applicant or
3 recipient of such assistance on the child's behalf, the applicant, re-
4 cipient or obligee is also deemed to have appointed the secretary,
5 or the secretary's designee, as an attorney in fact to perform the
6 specific act of negotiating and endorsing all drafts, checks, money
7 orders or other negotiable instruments representing support pay-
8 ments received by the secretary in behalf of any person applying
9 for, receiving or having received such assistance. This limited power
10 of attorney shall be effective from the date the secretary approves
11 the application for aid and shall remain in effect until the assignment
12 of support rights has been terminated in full.

13 (d) *Eligibility requirements for general assistance, the cost of*
14 *which is not shared by the federal government.* (1) General assistance
15 may be granted to eligible persons who do not qualify for financial
16 assistance in a program in which the federal government participates
17 and who satisfy the additional requirements prescribed by or under
18 this subsection (d).

19 (A) To qualify for general assistance in any form a needy person
20 must have insufficient income or resources to provide a reasonable
21 subsistence compatible with decency and health and, except as pro-
22 vided for transitional assistance, be a member of a family in which
23 a minor child or a pregnant woman resides or be unable to engage
24 in employment. The secretary shall adopt rules and regulations pre-
25 scribing criteria for establishing when a minor child may be consid-
26 ered to be living with a family and whether a person is able to
27 engage in employment, including such factors as age or physical or
28 mental condition. Eligibility for general assistance, other than tran-
29 sitional assistance, is limited to families in which a minor child or
30 a pregnant woman resides or to an adult or family in which all legally
31 responsible family members are unable to engage in employment.
32 Where a husband and wife are living together the combined income
33 or resources of both shall be considered in determining the eligibility
34 of either or both for such assistance unless otherwise prohibited by
35 law. The secretary in determining need of any applicant for or re-
36 cipient of general assistance shall not take into account the financial
37 responsibility of any individual for any applicant or recipient of gen-
38 eral assistance unless such applicant or recipient is such individual's
39 spouse or such individual's minor child or a minor stepchild if the
40 stepchild is living with such individual. In determining the need of
41 an individual, the secretary may provide for income and resource
42 exemptions.

43 (B) To qualify for general assistance in any form a needy person

1 must be a citizen of the United States or an alien lawfully admitted
2 to the United States and must be residing in the state of Kansas.

3 (2) General assistance in the form of transitional assistance may
4 be granted to eligible persons who do not qualify for financial as-
5 sistance in a program in which the federal government participates
6 and who satisfy the additional requirements prescribed by or under
7 this subsection (d), but who do not meet the criteria prescribed by
8 rules and regulations of the secretary relating to inability to engage
9 in employment or are not a member of a family in which a minor
10 or a pregnant woman resides.

11 (3) In addition to the other requirements prescribed under this
12 subsection (d), the secretary shall adopt rules and regulations which
13 establish community work experience program requirements for el-
14 igibility for the receipt of general assistance in any form and which
15 establish penalties to be imposed when a work assignment under a
16 community work experience program requirement is not completed
17 without good cause. The secretary may adopt rules and regulations
18 establishing exemptions from any such community work experience
19 program requirements. A first time failure to complete such a work
20 assignment requirement shall result in ineligibility to receive general
21 assistance for a period fixed by such rules and regulations of not
22 more than three calendar months. A subsequent failure to complete
23 such a work assignment requirement shall result in a period fixed
24 by such rules and regulations of ineligibility of not more than six
25 calendar months.

26 (4) If any person is found guilty of the crime of theft under the
27 provisions of K.S.A. 39-720 and amendments thereto, such person
28 shall thereby become forever ineligible to receive any form of general
29 assistance under the provisions of this subsection (d) unless the con-
30 viction is the person's first conviction under the provisions of K.S.A.
31 39-720 and amendments thereto or the law of any other state con-
32 cerning welfare fraud. First time offenders convicted of a misde-
33 meanor under the provisions of such statute shall become ineligible
34 to receive any form of general assistance for a period of 12 calendar
35 months from the date of conviction. First time offenders convicted
36 of a felony under the provisions of such statute shall become inel-
37 igible to receive any form of general assistance for a period of 60
38 calendar months from the date of conviction. If any person is found
39 guilty by a court of competent jurisdiction of any state other than
40 the state of Kansas of a crime involving welfare fraud, such person
41 shall thereby become forever ineligible to receive any form of general
42 assistance under the provisions of this subsection (d) unless the con-
43 viction is the person's first conviction under the law of any other

1 state concerning welfare fraud. First time offenders convicted of a
2 misdemeanor under the law of any other state concerning welfare
3 fraud shall become ineligible to receive any form of general assistance
4 for a period of 12 calendar months from the date of conviction. First
5 time offenders convicted of a felony under the law of any other state
6 concerning welfare fraud shall become ineligible to receive any form
7 of general assistance for a period of 60 calendar months from the
8 date of conviction.

9 (e) *Requirements for medical assistance for which federal moneys*
10 *or state moneys or both are expended.* When the secretary has
11 adopted a medical care plan under which federal moneys or state
12 moneys or both are expended, medical assistance in accordance with
13 such plan shall be granted to any person who is a citizen of the
14 United States or who is an alien lawfully admitted to the United
15 States and who is residing in the state of Kansas, whose resources
16 and income do not exceed the levels prescribed by the secretary.
17 In determining the need of an individual, the secretary may provide
18 for income and resource exemptions and protected income and re-
19 source levels. Resources from inheritance shall be counted. A dis-
20 claimer of an inheritance pursuant to K.S.A. 59-2291 and amend-
21 ments thereto shall constitute a transfer of resources. The secretary
22 shall exempt principal and interest held in irrevocable trust pursuant
23 to subsection (c) of K.S.A. 16-303 and amendments thereto from the
24 eligibility requirements of applicants for and recipients of medical
25 assistance. Such assistance shall be known as medical assistance.

26 (f) *Eligibility for medical assistance of resident receiving medical*
27 *care outside state.* A person who is receiving medical care including
28 long-term care outside of Kansas whose health would be endangered
29 by the postponement of medical care until return to the state or by
30 travel to return to Kansas, may be determined eligible for medical
31 assistance if such individual is a resident of Kansas and all other
32 eligibility factors are met. Persons who are receiving medical care
33 on an ongoing basis in a long-term medical care facility in a state
34 other than Kansas and who do not return to a care facility in Kansas
35 when they are able to do so, shall no longer be eligible to receive
36 assistance in Kansas unless such medical care is not available in a
37 comparable facility or program providing such medical care in Kan-
38 sas. For persons who are minors or who are under guardianship,
39 the actions of the parent or guardian shall be deemed to be the
40 actions of the child or ward in determining whether or not the person
41 is remaining outside the state voluntarily.

42 (g) *Medical assistance; assignment of rights to medical support*
43 *and limited power of attorney; recovery from estates of deceased*

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1 recipients. (1) Except as otherwise provided in K.S.A. 39-786 and
2 39-787, and amendments thereto, or as otherwise authorized on and
3 after September 30, 1989, under section 303 and amendments
4 thereto of the federal medicare catastrophic coverage act of 1988,
5 whichever is applicable, by applying for or receiving medical assis-
6 tance under a medical care plan in which federal funds are expended,
7 any accrued, present or future rights to support and any rights to
8 payment for medical care from a third party of an applicant or
9 recipient and any other family member for whom the applicant is
10 applying shall be deemed to have been assigned to the secretary on
11 behalf of the state. The assignment shall automatically become ef-
12 fective upon the date of approval for such assistance without the
13 requirement that any document be signed by the applicant or re-
14 cipient. By applying for or receiving medical assistance the applicant
15 or recipient is also deemed to have appointed the secretary, or the
16 secretary's designee, as an attorney in fact to perform the specific
17 act of negotiating and endorsing all drafts, checks, money orders or
18 other negotiable instruments, representing payments received by the
19 secretary in behalf of any person applying for, receiving or having
20 received such assistance. This limited power of attorney shall be
21 effective from the date the secretary approves the application for
22 assistance and shall remain in effect until the assignment has been
23 terminated in full. The assignment of any rights to payment for
24 medical care from a third party under this subsection shall not pro-
25 hibit a health care provider from directly billing an insurance carrier
26 for services rendered if the provider has not submitted a claim
27 covering such services to the secretary for payment. Support amounts
28 collected on behalf of persons whose rights to support are assigned
29 to the secretary only under this subsection and no other shall be
30 distributed pursuant to subsection (d) of K.S.A. 39-756 and amend-
31 ments thereto, except that any amounts designated as medical sup-
32 port shall be retained by the secretary for repayment of the un-
33 reimbursed portion of assistance. Amounts collected pursuant to the
34 assignment of rights to payment for medical care from a third party
35 shall also be retained by the secretary for repayment of the unreim-
36 bursed portion of assistance.

37 (2) The amount of any medical assistance paid after June 30,
38 1992, under the provisions of subsection (e) is (A) a claim against
39 the property or any interest therein belonging to and a part of the
40 estate of any deceased recipient or, if there is no estate, the estate
41 of the surviving spouse, if any, shall be charged for such medical
42 assistance paid to either or both, and (B) a claim against any funds
43 of such recipient or spouse in any account under K.S.A. 9-1215, 9-

1 1216, 17-2263, 17-2264, 17-5828 or 17-5829 and amendments thereto.
2 There shall be no recovery of medical assistance correctly paid to
3 or on behalf of an individual under subsection (e) except after the
4 death of the surviving spouse of the individual, if any, and only at
5 a time when the individual has no surviving child who is under 21
6 years of age or is blind or permanently and totally disabled. Transfers
7 of real or personal property by recipients of medical assistance with-
8 out adequate consideration are voidable and may be set aside. Except
9 where there is a surviving spouse, or a surviving child who is under
10 21 years of age or is blind or permanently and totally disabled, the
11 amount of any medical assistance paid under subsection (e) is a claim
12 against the estate in any guardianship or conservatorship proceeding.
13 The monetary value of any benefits received by the recipient of such
14 medical assistance under long-term care insurance, as defined by
15 K.S.A. 40-2227 and amendments thereto, shall be a credit against
16 the amount of the claim provided for such medical assistance under
17 this subsection (g). The secretary is authorized to enforce each claim
18 provided for under this subsection (g). The secretary shall not be
19 required to pursue every claim, but is granted discretion to deter-
20 mine which claims to pursue. All moneys received by the secretary
21 from claims under this subsection (g) shall be deposited in the social
22 welfare fund. The secretary may adopt rules and regulations for the
23 implementation and administration of the medical assistance recovery
24 program under this subsection (g).

25 (h) *Placement under code for care of children or juvenile of-*
26 *fenders code; assignment of support rights and limited power of*
27 *attorney.* In any case in which the secretary of social and rehabil-
28 itation services pays for the expenses of care and custody of a child
29 pursuant to K.S.A. 38-1501 *et seq.* or 38-1601 *et seq.*, and amend-
30 ments thereto, including the expenses of any foster care placement,
31 an assignment of all past, present and future support rights of the
32 child in custody possessed by either parent or other person entitled
33 to receive support payments for the child is, by operation of law,
34 conveyed to the secretary. Such assignment shall become effective
35 upon placement of a child in the custody of the secretary or upon
36 payment of the expenses of care and custody of a child by the
37 secretary without the requirement that any document be signed by
38 the parent or other person entitled to receive support payments for
39 the child. When the secretary pays for the expenses of care and
40 custody of a child or a child is placed in the custody of the secretary,
41 the parent or other person entitled to receive support payments for
42 the child is also deemed to have appointed the secretary, or the
43 secretary's designee, as attorney in fact to perform the specific act

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1 of negotiating and endorsing all drafts, checks, money orders or other
2 negotiable instruments representing support payments received by
3 the secretary on behalf of the child. This limited power of attorney
4 shall be effective from the date the assignment to support rights
5 becomes effective and shall remain in effect until the assignment of
6 support rights has been terminated in full.

7 (i) *No person who voluntarily quits employment or who is fired*
8 *from employment due to gross misconduct as defined by rules and*
9 *regulations of the secretary or who is a fugitive from justice by*
10 *reason of a felony conviction or charge shall be eligible to receive*
11 *public assistance benefits in this state.*

Any recipient of public assistance who fails to timely comply with monthly reporting requirements under criteria and guidelines prescribed by rules and regulations of the secretary shall be subject to a penalty established by the secretary by rules and regulations.

12 Sec. 11. K.S.A. 39-7,104 is hereby amended to read as follows:

13 39-7,104. (a) The secretary of social and rehabilitation services shall
14 provide for the evaluation of public assistance recipients to determine
15 whether such persons are required to participate in the KanWork
16 program *and whether such persons are employable*. All public as-
17 sistance recipients not required to participate in the KanWork pro-
18 gram *who are employable* shall be encouraged to participate in such
19 program. The secretary also shall provide for the evaluation of
20 KanWork participants to assess the appropriate level of services
21 needed by such participants under the KanWork program; shall pro-
22 vide initial employability screening, goal setting, identification of
23 support service needs and development of timelines for completion
24 of activities; and shall establish and enter into with such participants
25 written contracts of participant self-sufficiency.

26 (b) The secretary of social and rehabilitation services and the
27 secretary of human resources shall enter into an agreement which
28 provides that all recipients of aid to families with dependent children
29 who are required to register under the KanWork program and who
30 are determined by the secretary of social and rehabilitation services
31 to be job-ready shall initially be referred to the secretary of human
32 resources for the following services: Determination and provision of
33 employment occupational assessment, goal setting and training serv-
34 ices and such other services as the secretary may deem appropriate
35 within the provisions of this act.

36 (c) *A KanWork participant who is determined to be employable*
37 *shall not be eligible to participate in the KanWork program for more*
38 *than two years. Except as otherwise provided in this subsection, a*
39 *KanWork participant under the KanWork program shall not be el-*
40 *igible to receive any public assistance for three years subsequent to*
41 *the time participation in the KanWork program ceases. Notwith-*
42 *standing the foregoing provisions of this subsection, a KanWork*
43 *participant who fails to become employed while participating in the*

30 months, inclusive of any educational program under KanWork

1 *KanWork program is authorized to receive transitional services under*
2 *K.S.A. 39-7,107 and amendments thereto from the date such par-*
3 *ticipation in the KanWork program ceases until the maximum time*
4 *specified under K.S.A. 39-7,107 and amendments thereto for which*
5 *transitional services may be provided.*

6 (e) (d) KanWork participants may bring grievances and appeal
7 decisions of the secretary under the KanWork program in accordance
8 with grievance and appeal procedures established by the secretary
9 by rules and regulations.

10 Sec. 12. K.S.A. 39-7,105 is hereby amended to read as follows:
11 39-7,105. (a) Within the limits of appropriations therefor and to the
12 extent allowed under any applicable federal law or rule and regulation
13 adopted pursuant thereto, the secretary shall establish and make
14 available to eligible public assistance recipients the job preparation,
15 training and education component of the KanWork program.

16 (b) The job preparation element of the job preparation, training
17 and education component includes, but is not limited to, the fol-
18 lowing:

19 (1) Unsupervised job search, in which the participant individually
20 seeks work and makes periodic progress reports to the secretary or
21 an agency contracting with the secretary.

22 (2) Supervised job search which includes, but is not limited to,
23 access to telephones to contact prospective employers, job orders,
24 direct referrals to employers, or other organized methods of seeking
25 work which are overseen, reviewed and critiqued by the secretary
26 or an agent of the secretary. The amount and type of activity required
27 during this supervised job search period shall be determined by the
28 secretary and the participant, based on the participant's employment
29 history and need for supportive services and shall be consistent with
30 rules and regulations adopted by the secretary.

31 (3) Job club workshops, including group or individual training
32 sessions, where participants learn various job finding and job reten-
33 tion skills. Workshops shall be conducted by persons trained in
34 employment counseling. The skills taught in job clubs shall include
35 preparation of an application, writing a resume, interviewing tech-
36 niques, understanding employer requirements and expectations, tel-
37 ephone canvassing for job leads, proper dress and conduct on the
38 job and ways to enhance self-esteem, self-image and confidence.

39 (4) Job referral and placement services.

40 (5) Employment counseling to assist persons to reach informed
41 decisions on appropriate employment goals.

42 (c) The training and education element of the job preparation,
43 training and education component includes, but is not limited to,

1 the following:

2 (1) Job training which includes, but is not limited to, training in
3 industry-specific job skills in a classroom or onsite setting, including
4 training provided by private industry, universities, community col-
5 leges, state and local agencies and school districts.

6 (2) Community work experience for a public or nonprofit agency
7 that provides the participant the opportunity to develop basic work
8 skills, practice and improve existing skills and acquire on-the-job
9 experience established in accordance with the provisions of subsec-
10 tion (g) of K.S.A. 39-708c and amendments thereto or subsection
11 (d)(B)(3) of K.S.A. 39-709 and amendments thereto, or both such
12 sections.

13 (3) Work experience through a grant diversion program which
14 the secretary is hereby authorized to implement in which an em-
15 ployer receives a wage subsidy from money diverted in accordance
16 with law from public assistance grants. Grant diversion shall be
17 implemented through a contract entered into by the secretary and
18 the employer.

19 (4) *Work experience through employment with state government*
20 *or local governmental units in work which otherwise would have*
21 *gone undone, if the participant is unable to be placed in other*
22 *employment. The state government and local governmental units may*
23 *cooperate with the secretary of social and rehabilitation services in*
24 *developing and making available such employment opportunities.*

25 (4) (5) Remedial education, which shall include adult basic ed-
26 ucation, high school completion and general equivalency diploma
27 instruction. *Only participants deemed able to become substantially*
28 *more employable for an educational experience shall be placed in*
29 *remedial education.*

30 (5) (6) College and community college education, when that ed-
31 ucation provides sufficient employment skills training which can be
32 expected to lead to employment based on a labor market needs
33 assessment. *Only participants deemed capable of becoming substan-*
34 *tially more employable from such an educational experience shall be*
35 *placed in this education component.*

36 (6) (7) Vocational training in a community college, vocational
37 technical school or local school district program which can be ex-
38 pected to lead to employment based upon a labor market needs
39 assessment.

40 (7) (8) English language instruction for non-English speaking par-
41 ticipants.

42 (8) (9) Other programs that may be made available through fed-
43 eral legislation authorizing employment and training programs for

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1 public assistance recipients.

2 (10) No participant who has graduated from high school shall
3 participate in any educational program under the KanWork act for
4 more than ~~one year~~. A participant who has not graduated from high
5 school but who the secretary determines is able to obtain general
6 educational development credentials within nine months after be-
7 coming a KanWork participant may participate in the educational
8 program under the KanWork act, but such educational program
9 participation under the KanWork program shall be limited to ~~one~~
10 ~~year~~ after the participant has received the general educational de-
11 velopment credentials.

30 months

12 (d) Workers assigned to state agencies under the KanWork pro-
13 gram may participate in classified civil service examinations equiv-
14 alent to the position occupied, as well as any other civil service
15 examination for which the participant is qualified, and experience in
16 the position occupied by the participant shall be included in deter-
17 mining whether the participant meets the experience requirements
18 for the particular position under the Kansas civil service act.

30 months less the period of time required for the participant to obtain
general educational development credentials

19 (e) The secretary may enter into contracts with community serv-
20 ice providers for job development and service provision.

21 New Sec. 13. The secretary of social and rehabilitation services
22 shall not implement any provision of this act if the secretary deter-
23 mines that implementing such provision would have the effect of
24 reducing or eliminating federal matching funds or other federal funds.
25 If the secretary makes this determination, the secretary shall apply
26 for a waiver from the federal department of health and human re-
27 sources, or other appropriate federal agency, for authorization to
28 implement such provision without reducing or eliminating such fed-
29 eral matching funds or other funds. Upon the granting of such waiver
30 under federal law, the secretary shall implement such provision of
31 this act.

New Sections

32 Sec. 14. K.S.A. 39-709, 39-7,104 and 39-7,105 are hereby re-
33 pealed.

34 Sec. 15. This act shall take effect and be in force from and after
35 its publication in the statute book.

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New Sec. . (a) The secretary of social and rehabilitation services shall make program modifications to the aid to families with dependent children program of the department of social and rehabilitation services, to include a work-and-earn incentive program containing provisions such that:

(1) If an individual's earned income is considered, the individual shall be allowed a work-and-earn incentive adjustment to assistance which shall be determined in accordance with policies prescribed by rules and regulations adopted by the secretary of social and rehabilitation services and shall include an incentive disregard of the amount equal to \$90 plus 40% of the gross monthly earned income above \$90 which is available to the individual, with (A) the individual's eligibility continuing until the individual's combined wages, food stamp benefits, earned income tax credit, and other resources approximate 100% of the federal poverty level, (B) no time limit on the incentive disregard, (C) no application of any other time-limited, work-related income disregard when the work-and-earn incentive program is applicable, and (D) no penalty under the work-and-earn incentive program for failure to comply with program requirements; and

(2) if an individual's earned income is considered, the individual shall be allowed a work expense deduction from the earned income, which shall include, as provided in rules and regulations of the secretary of social and rehabilitation services, generally all work-related expenses, other than day care, and shall include specifically: Taxes, transportation expenses, meal expenses and acquisition and maintenance expense for required uniforms.

(b) The secretary of social and rehabilitation services shall seek waivers from program requirements of the federal government as may be needed to carry out the provisions of this section and to maximize federal matching and other funds with respect to the provisions of this section. The secretary of social and rehabilitation services shall implement the provisions of this section only if such waivers to federal program requirements have been obtained from the federal government.

New Sec. . (a) As used in this section: "Individual assistance support trust" means a trust created by a not-for-profit corporation which is a 501(c)(3) organization under the federal internal revenue code of 1986 and which was organized for the purpose of receiving money pursuant to an agreement under this section.

(b) There is hereby established in the state treasury the state individual assistance support trust fund.

(c) On the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the state individual assistance support trust fund, the amount of money certified by the pooled money investment board in accordance with this subsection. Prior to the 10th of each month, the pooled money investment board shall certify to the director of accounts and reports the amount of money equal to the proportionate amount of all the interest credited to the state general fund for the preceding period of time specified under this subsection, pursuant to K.S.A. 75-4210a and amendments thereto, that is attributable to money in the state individual assistance support trust fund. Such amount of money shall be determined by the pooled money investment board based on:

(1) The average daily balance of moneys in the state individual assistance support trust fund during the period of time specified under this subsection as certified to the board by the director of accounts and reports; and

(2) the average interest rate on repurchase agreements of less than 30 days duration entered into by the pooled money investment board for that period of time. On or before the fifth day of the month for the preceding month, the director of accounts and reports shall certify to the pooled money investment board the average daily balance of moneys in the state individual assistance support trust fund for the period of time specified under this subsection.

(d) The secretary of social and rehabilitation services may

accept moneys from an individual assistance support trust for deposit in the state individual assistance support trust fund pursuant to an agreement with the individual assistance support trust for purposes of matching federal funds. The individual assistance support trust may retain 5% of any grant it receives for purposes of this section. The secretary shall deposit 10% of such moneys in the state general fund and 5% of such moneys shall be deposited in the state general fund and credited to the social welfare fund. The balance of such moneys shall be deposited in a separate account in the state individual assistance support trust fund for each grant so received. The moneys in each such account shall be expended by the secretary, in accordance with rules and regulations of the secretary, only for the purpose of matching federal funds in accordance with the terms of the agreement. Interest earned on moneys in the trust fund and transferred to the trust fund under subsection (c) shall be prorated in accordance with procedures approved by the director of accounts and reports and credited monthly to each such account.

(e) If the secretary determines that the moneys cannot be used for the purpose of matching federal funds in a manner consistent with the rules and regulations of the secretary and the agreement, or upon the request of the individual assistance support trust, the remaining moneys in such account, together with any accumulated interest thereon, shall be paid to the individual assistance support trust which deposited such moneys in the state individual assistance support trust fund.

(f) The secretary shall adopt rules and regulations and procedures as may be necessary or useful for the administration of the trust fund. All payments and disbursements from the trust fund shall be made upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary or by a person designated by the secretary.

Sec. .

DEPARTMENT OF HEALTH AND ENVIRONMENT

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1995, the following:

Teen pregnancy prevention activities..... \$400,627

Provided, That expenditures from this account shall be made to give highest priority to recipients of aid to families with dependent children and other medicaid-eligible teens.

Sec. .

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 1995, the following:

Paternity outreach grants..... \$213,190

WHEREAS, The provisions of this act are intended to provide adjustments and additions to existing social welfare assistance programs, including expansions of services and increased reliance on more effective and efficient programs and services, and the administration thereof, to empower individuals receiving state or federal assistance under social welfare programs to become employed and self-sufficient to a degree that allows such individuals to remove themselves from reliance on such assistance; and

WHEREAS, the provisions of this act are also intended to require and provide for the use of resources that are correspondingly identifiable as "savings," whether or not such savings are in the form of reduced costs for existing levels of social welfare program assistance or otherwise, to expand coverage or levels of assistance to empower more individuals receiving state or federal assistance under social welfare programs to become employed and self-sufficient to a degree that allows such individuals to remove themselves from reliance on such assistance: Now, therefore,

BARBARA P. ALLEN
 REPRESENTATIVE, TWENTY-FIRST DISTRICT
 JOHNSON COUNTY
 P.O. BOX 8053
 PRAIRIE VILLAGE, KANSAS 66208
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 STATE CAPITOL ROOM 174-W
 TOPEKA, KANSAS 66612-1504
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TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS
 VICE CHAIRMAN FINANCIAL INSTITUTIONS & INSURANCE
 MEMBER APPROPRIATIONS
 RULES & JOURNAL

Comparison of Positions on Areas of Disagreement in HB 2929 - HOPE, ACT,
 Majority Report:

	<u>HOPE</u>	<u>ACT</u>	<u>MAJORITY</u>
1. Family Support Tax Credit (amendment - delete 3(a))	support	support	support
2. School Dropout Penalty (amendment - balloon 2188)	oppose	support	support
3. Voluntary Job Quit Penalty (amendment to delete)	oppose	O.K. w/ #4	incorp. #4
4. Family Investment Agreements (amendment)	oppose	support	support
5. Family Size Limitations (amendment to delete)	oppose	support	support
6. Earned Income Disregard (amendment)	support	support	support
7. Child Individual Develop. Acct. (amend. to add AFDC adults)	oppose	oppose	support
8. Individual Develop. Acct. (amend. to apply only to AFDC recipients, not all residents)	oppose	support	support

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

March 10, 1993

TO: House Appropriations Subcommittee on SRS

FROM: Laura Howard, Senior Fiscal Analyst

RE: Family Investment Agreements

The Subcommittee's recommended amendment to H.B. 2929 would incorporate a family investment agreement requirement in the AFDC program. Under this provision, the period of eligibility for AFDC would be limited based on the requirements of an individual family's plan for self-sufficiency, as specified in a family investment agreement. The agreement would include a specific plan the individual will follow to achieve self-sufficiency, including time periods for meeting specific goals within the plan.

The following summarizes projections of the number of AFDC recipients who would participate in a family investment agreement under the provisions of the Subcommittee's proposed amendment to H.B. 2929. The following summarizes AFDC caseload, the number of KanWork recipients, and the number of additional persons who would be required to participate in a Family Investment Agreement. All numbers reflect average monthly recipients.

Current AFDC Adult Family Recipients	30,000
Current KanWork Participants	8,600
Net Remaining	21,400
10 Percent Estimated Exempt from FIA	2,140
Non-KanWork Clients Required for FIA	19,260

Thus, under the Family Investment Agreement amendment proposed by the Subcommittee, approximately 19,000 persons receiving public assistance but not participating in KanWork would be required to participate in a Family Investment Agreement, including one or more of the following options:

1. Full-time or part-time employment;
2. Active job search;
3. Participation in the community work experience program and other work-related programs of the Secretary of Social and Rehabilitation Services;
4. Participation in the KanWork program or other education or training programs, excluding participants with children under the age of three;
5. Work experience placement;
6. Unpaid community service with any not-for-profit association or organization;
7. For individuals participating in at least one other option, then any other arrangement to strengthen ability to be a better parent

ATTACHMENT 7

SRS

Phil
Jim Garner
Tom Robinett
Barbara Ballard
Lisa Benlon
Garry Boston
Tom Bradley
Bill Bryant
Tim Carmody
Darlene Cornfield
Vernon Correll
Ray Cox
Delbert Crabb
Rex Crowell
Carol Dawson
Herman Dillon
Les Donovan
Cindy Empson
Denise Everhart
Mike Farmer
Joann Flower
Joann Freeborn
Fred Gatlin
Kent Glasscock
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Gary Hayzlett
Walker Hendrix
Jerry Henry
Robin Jennison
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Kenny King
Phil Kline
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Rich Lahti
Al Lane
Doug Lawrence
Steve Lloyd
Judy Macy
Bill Mason
Carlos Mayans
Doug Mays
Laura McClure
Ed McKechnie
Dennis McKinney
Bob Mead
Russell Mills
Melvin Minor
Gayle Mollenkamp
Jim Morrison
Don Myers
Melvin Neufeld
Rocky Nichols
Mike O'Neal
Greg Packer
Janice Pauls
Pat Pettey
Jo Ann Pottorff
Ted Powers
Rand Rock
Keith Roe
Alex Scott
Tim Shallenburger
Gene Shore
Marvin Smith
Vince Snowbarger
Bob Tomlinson
John Toplikar
Jene Vickrey
Susan Wagle
Bob Watson
Elaine Wells
Jack Wempe
Steve Wiard
Kenny Wilk

Harnessing Opportunity for Personal Excellence H.O.P.E.

COMPARISON OF HOPE\ACT AGREEMENT AND THE SUBCOMMITTEE MAJORITY REPORT DIFFERENCES TWO PAGE FACT REVIEW Comments by the HOPE Sponsors

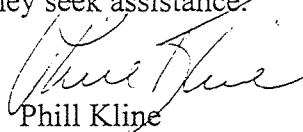
ITEMS ADDED BY SUBCOMMITTEE WHICH ARE NOT INCLUDED IN THE HOPE\SRS AGREEMENT

1. KANLEARN - Paying children that receive welfare benefits to attend school.
 - Provides for mandatory payments to children who are eligible who attend school.
 - KANLEARN bill is currently in the Senate and does need to be a part of this package.
 - Projected costs are \$335,954 and 10 FTE's for the first year in only 3 counties, assuming no additional child care costs.
2. "Responsibility Contracts - increasing SRS staff by a minimum of 68 FTE's.
 - Forces field worker to eliminate benefits for breach in the contract while allowing for extensions and amendments. Accordingly, those who can negotiate will benefit, those who don't have negotiation skills will suffer. Application, therefore is arbitrary.
 - Is really a case management issue. SRS should already be working with all recipients to move them off of welfare.
 - Is demeaning to the recipient, providing for a bureaucrat tag-along who tells them how to run their life.
 - Ignores the nature of the average recipient who is only on the system for 8 months. The average recipient does not need a contract, he or she, is only on for a limited period of time.

COMPARISON CONTINUED

HOPE\ACT AGREEMENT ITEMS WHICH WERE DELETED OR CHANGED BY THE SUBCOMMITTEE

1. Individual Development Accounts - encouraging Kansans to save for their educational future. HOPE\ACT provides that all Kansans may establish IDA's and save up to \$2,000 a year for educational, health care and home ownership purposes and earn interest tax free. The subcommittee amended the bill to only allow children who receive AFDC benefits to establish such accounts. This presents several problems:
 - Recipients move on and off of welfare, it will be next to impossible to track when interest is, or is not taxable in such accounts.
 - It eliminates the preventive affects of the proposal. Part of the HOPE\ACT goal is to prevent Kansans from needing public assistance.
 - The average Kansas single parent with a high school diploma earns only \$6,200 a year, with a high school education - \$13,400 and with a college degree - \$24,000. One the other hand, a \$2,000 account earning 10% interest only pays \$15 in taxes at the highest tax bracket.
2. Voluntary Job Quit - if an individual voluntarily quits their job they will not receive benefits.
 - Voluntary Quit Proposal - The original bill and SRS's ACT proposal provided that no person could be eligible for benefits if they voluntarily quit a job or are fired due to gross misconduct. This portion of 10 (i) was deleted. Since public assistance funds are limited, assistance should encourage responsibility and not be readily available for those individuals not acting responsibly (note: ACT eliminated benefits for the entire family HOPE and the agreed version do not).
3. Family Size Limitation - providing incentives to work and make wise choices.
 - Limitations of Benefits based on Family Size - The bill originally provided that there would be no increase in benefits for a third or subsequent child but allowed a family to earn more money outside the home and not lose their benefits. This was deleted.
 - Working families are not guaranteed an increase in income with the birth of an additional child. The welfare programs should not encourage bad decisions which increase burdens on the families in poverty.
 - The subcommittee expressed concern about litigation in New Jersey over their family size limits for welfare assistance. With this litigation in mind, HOPE provides for specific exceptions for multiple birth cases and for families that have more than two children at the time they seek assistance.


Phill Kline


Jim Garner


Tom Robinett



JOAN FINNEY, GOVERNOR OF THE STATE OF KANSAS

KANSAS DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

DONNA WHITEMAN, SECRETARY

March 10, 1994

Representative Henry Helgersen
Statehouse, Room 281W
Topeka, KS 66612

Dear Representative Helgersen:

RE: House Subcommittee Report

In response to your request on the benefits related to the subcommittee report on welfare reform, we support the following initiatives:

1. Minors must live with parents
2. Elimination of marriage penalty and coverage through pregnancy and of certain foster children
3. Requirement of paternity identification
4. Fugitives ineligible
5. Voluntary job quit
6. Two parent work registration
7. Late monthly reporting penalties
8. Paternity outreach program
9. Earned income disregard
10. Systems automation
11. Electronic benefits funds transfer

We believe these items will make a difference for many families by promoting personal and parental responsibility and by developing opportunities for economic self sufficiency.

One of the more beneficial of these is the earnings disregard provision. The current method of counting earnings is frequently cited by clients as the reason they don't take full time employment.

We will address the additional initiatives outlined in the subcommittee report individually.

1. Family Limitation - SRS does not support capping family size, but if done, SRS supports HB 2929.

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2. Family Support Tax Credit - This provision is very creative and one which we support. However, we do not believe it will be understood by recipients and/or their families without extensive development and explanation by SRS staff. We feel the staff is essential in order to obtain significant participation. We would also see merit in expanding the scope to allow corporate donors. We have seen increased interest by companies who appear to be interested in helping to address the issues of poverty and unemployment.

3. School Attendance - Experiences in Ohio have shown that combination incentive/penalty programs have been successful in keeping youth in school. We recognize that school drop out rates continue to rise. This fact leads to a lifetime of diminished earning power/dependence on government and charitable assistance. Many of these youth also find themselves to be teen parents. In fact 75% of all clients receiving assistance started as teen parents and four out of five of the children in these families are likely to grow up in poverty. Any preventative effort must be tried and thus this pilot program, we feel, is important.

Although the students in this group may currently be among those eligible to receive child care, we do believe this initiative, if successful, will keep young mothers in school and thus increase the need for child care. If the overall child care funding remains the same, the result could be the elimination of child care for persons who are not in one of the federally mandated groups, such as the working poor. In addition, as clients move off transitional child care, they may be put on a waiting list for child care for the working poor.

4. Child Development Account and Individual Development Accounts - SRS strongly believes the earnings and savings of children on assistance should not affect their or their family's ability to stay on assistance. At this time, SRS cannot support adult IDA's for income without additional funds. The adult IDA must be limited to resources for applicants and recipients.

5. Family Investment Agreement (FIA) - The concept of beginning with each family at time of application to plan for the exit from assistance is one that SRS believes is critical. Our policies and actions should let applicants know public assistance is short term, to assist them during transitions in their lives, but not a way of life. In the ACT proposal, we limited the scope of the responsibility agreement to reduce the demand for new staff. The provisions of HB2938, which the subcommittee approved, gives the Secretary of SRS discretion to develop rules and regulations for this program.

6. KanWork Changes - SRS is supportive of the subcommittee recommendations to lengthen the time allowable for education and training to 30 months. We believe this will allow clients the time to get the skills they need to become self sufficient. One area of confusion which remains is the length of time available for transitional services. The HOPE proposal indicates KanWork transitional services begin at the end of the 30 month limit, regardless of whether the person has obtained employment. The Federal JOBS regulations require twelve months of transitional services once employment is obtained. We feel the newly imposed three year prohibition on

returning to assistance makes it imperative to provide a minimum of twelve months of transitional services upon employment. The preferred limit would be twenty four months of child care and medical upon completion of their education. Without these supports, we believe clients will be discouraged from entering the KanWork program and from finding employment.

7. Employment: Security Cross-Match - This proposal is supported by our department, but is dependent on the passage of HB 2503.

Items not included in the subcommittee report, but items SRS would support are:

- 1) Buy in Enhancement
- 2) Claims Unit
- 3) Estate Recovery
- 4) AFDC Child Support Enforcement

Each of these items are cost savings and support the overall welfare reform proposal.

Additionally, the need for on-going support in the area of systems automation would include staff and/or contract dollars to make necessary computer programming changes. Program changes and staff are necessary to obtain the outcome data from KAECSSES and KsCARES systems to determine whether we are achieving the desired program outcomes.

Sincerely,


Donna L. Whiteman
Secretary

DLW:JKS:cjd