

SESSION OF 2023

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2179

As Amended by House Committee on Welfare
Reform

Brief*

HB 2179, as amended, would continue the existing statutory requirement that parents cooperate with child support services administered by the Department for Children and Families (DCF) as a condition of receiving a child care subsidy and maintain the periods of ineligibility for a child care subsidy for non-cooperation. The bill would require the Secretary for Children and Families (Secretary), or the Secretary's designee, to review a parent's child support compliance at certain specified times.

The bill would also make technical amendments to remove duplicative language defining "non-cooperation" and to replace references to "child care benefits" with "child care subsidy" in continuing law that governs the assignment of support rights to the Secretary by applicants and recipients of a child care subsidy when cooperating with child support services.

Timing of Child Support Compliance Reviews

The bill would require the Secretary, or the Secretary's designee, to review the child support compliance of parents applying for or receiving a child care subsidy, upon application for a child care subsidy, after 12 months of continuous eligibility for the subsidy and following such 12 months of continuous eligibility when the Secretary renews or redetermines a parent's eligibility for the subsidy.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Periods of Ineligibility

The periods of ineligibility for a child care subsidy for a parent's failure to comply with child support services would be the same as in current law, with an additional condition that non-compliance reviews would occur at the specific times outlined in the bill.

The periods of ineligibility for a child care subsidy for non-compliance with child support services in continuing law are:

- First penalty, three months and cooperation with child support services prior to regaining eligibility;
- Second penalty, six months and cooperation with child support services prior to regaining eligibility;
- Third penalty, one year and cooperation with child support services prior to regaining eligibility; and
- Fourth penalty, ten years.

Background

The bill was introduced by the House Committee on Appropriations at the request of Representative Ballard.

House Committee on Welfare Reform

In the House Committee hearing, the Deputy Secretary for Children and Families provided **proponent** testimony, stating the bill would address a conflict between state and federal law. The Deputy Secretary noted, under current state law, families are disqualified from receiving child care assistance benefits for progressive periods of time if they fail to cooperate with child support services. She noted, under federal law, DCF must provide 12 full months of continuous eligibility following the determination and issuance of child

care assistance benefits. The Deputy Secretary stated the disruption of benefits if an individual is found non-cooperative with child support services is in violation of the federal requirement. The Deputy Secretary noted DCF requested introduction of this bill in response to a letter of Preliminary Notice of Possible Non-compliance from the federal Administration for Children and Families (ACF) and to avoid a penalty resulting in the loss of federal funds.

Written-only proponent testimony was provided by representatives of Child Care Aware of Kansas, Kansas Action for Children, Kansas Children's Service League, The Family Conservancy, and United Community Services of Johnson County.

Opponent testimony was provided by a representative of Opportunity Solutions Project, stating mandatory child support enforcement as a condition for receiving benefits is good policy. The representative noted the letter sent to DCF by the federal ACF in March 2022 contained several options for compliance with federal regulations, including the option of assessing the penalty for non-compliance after the full 12 months of eligibility. The representative noted that option would allow for a continuity of benefits, while complying with state regulations.

The House Committee amended the bill to maintain the periods of ineligibility for a child care subsidy based on a parent's non-cooperation with child support services in current law, with the exception that reviews to determine child support compliance would be limited to specific times. [*Note:* At the time the House Committee took action on the bill, the Deputy Secretary indicated this amendment would address the agency's concerns regarding compliance with federal law.]

The House Committee also returned to the language in current statute stating that child care subsidy applicants and recipients are deemed to have assigned rights to child support payments to the Secretary when cooperating with child support services, replacing references to "child care

benefits” with “child care subsidy” in that statute for the consistent use of terms.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, DCF indicates elimination of child support cooperation would have an effect on the child care assistance caseload. Families who have previously been denied benefits due to non-cooperation would now be eligible to receive this assistance. On average, DCF has closed or denied 13 cases (22 children) per month for not cooperating with child support services. The effect of these closures becomes cumulative each month as benefits are approved for a 12-month period.

DCF indicates the fiscal effect of these changes on the projected child care caseload would be total additional child care benefits for FY 2024 of \$865,488 and \$2,576,902 for FY 2025. DCF notes the requirement to cooperate with child support may have kept some eligible families from accessing child care subsidy benefits. It is unknown how many families may not have applied because of this cooperation requirement, so these families are not included in these estimates.

DCF notes the bill would change the eligibility requirements and would require changes to the Economic and Employment Services eligibility system. DCF estimates the one-time cost of changes to the eligibility system would be \$500,000. The bill is not expected to have a significant effect on costs related to child support services. Federal funds from the Child Care Development Fund are available to fully cover the additional expenses based on the current federal award amounts. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2024 Governor’s Budget Report*.

Public assistance; child care assistance; non-cooperation with child support; disqualifications; child care subsidy