



February 20, 2025

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

Dear Representative Averkamp:

SUBJECT: Fiscal Note for HB 2287 by House Committee on Welfare Reform

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2287 is respectfully submitted to your committee.

HB 2287 would extend the lifetime limitation of Temporary Assistance for Needy Families (TANF) from 24 months to 60 months and provide for hardship extensions to be granted by the Department for Children and Families (DCF). The bill would eliminate the requirement to cooperate with Child Support Services (CSS) for eligibility and various provisions related to penalties for noncooperation and raise the time period of when a single custodial parent providing care for a child under the age of one year would be exempt from work participation activities (currently the statute is limited to under the age of three months). The bill would eliminate provisions related to the work participation exemption.

The bill would eliminate prohibitions on providing food assistance to people convicted of certain felony offenses and provisions on prohibiting food assistance to people who fail to submit to or fail a drug test. The bill would prohibit denying food assistance to a person solely because the person was convicted of a drug-related felony.

The bill would no longer require a photograph of the recipient to be placed on a benefits card. The bill would no longer require DCF to assign certain people to employment and training programs and would eliminate the provision that DCF cannot enact the state option from the United States Department of Agriculture for broad-based categorical eligibility for households applying for food assistance. The bill would also eliminate the provision prohibiting DCF from applying resource limit standards for food assistance that are higher than set out in federal law and eliminate the need for legislative action to be required for expansion of the Medical Assistance Program.

| Estimated State Fiscal Effect | | | |
|-------------------------------|---------|---------------|---------------|
| | FY 2025 | FY 2026 | FY 2027 |
| Expenditures | | | |
| State General Fund | -- | \$129,065 | (\$60,505) |
| Fee Fund(s) | -- | -- | -- |
| Federal Fund | -- | 3.6 million | 6.6 million |
| Total Expenditures | -- | \$3.8 million | \$6.5 million |
| Revenues | | | |
| State General Fund | -- | -- | -- |
| Fee Fund(s) | -- | -- | -- |
| Federal Fund | -- | -- | -- |
| Total Revenues | -- | -- | -- |
| FTE Positions | -- | -- | -- |

According to DCF, enactment of HB 2287, effective July 1, 2025, would affect the TANF and Child Care caseloads. Additionally, as more individuals would be eligible for TANF benefits, an increase would be expected in the caseload related to TANF Employment Services. The bill could also impact CSS contracts and collections. The following sections detail the projected effect of the changes related to HB 2287:

HB 2287 would change several restrictions and limitations on TANF cash assistance benefits. These changes would include:

- Increasing the limit on the number of months TANF cash assistance benefits may be drawn from 24 to 36;
- Increasing hardship allowances from 36 months to 60 months;
- Increasing the work exemption for TANF beneficiaries from two months following the birth of a child to twelve months; and
- Removing progressive periods of eligibility for noncompliance with work requirements or child support.

The following table details the effect of these changes on the projected caseload:

| | FY 2026 | FY 2027 |
|--|--------------------|--------------------|
| Increasing time limit for cash assistance from 24 to 60 months and allowing expanded months for hardship cases | 189 | 377 |
| Increasing TANF work exemption from two months to 12 months following the birth of a child | 72 | 144 |
| Removing progressive periods of ineligibility for noncompliance with work requirements or child support | 261 | 330 |
| Total projected additional cases | 522 | 851 |
| Estimated persons per case | 2.46 | 2.46 |
| Total projected additional persons | 1,283 | 2,091 |
| Projected monthly benefits per person | \$112.50 | \$112.50 |
| Total Additional TANF Benefits | \$1,732,050 | \$2,822,850 |

The caseload for TANF cash assistance is projected to increase an average of 522 cases per month for FY 2026 and 851 in FY 2027 forward. The increase would affect TANF eligibility time limits, work exemptions for families with children under the age of 12 months, and noncompliance with work requirements or child support.

The estimate is based on the differences between caseloads, denials, and closures for the various items at the present levels compared to the levels prior to the initiation of the changes. The persons per case is based on current figures. The benefit per person represents current monthly estimates.

All expenses could be funded 100.0 percent with TANF funds. There is currently a TANF balance, part of which is needed to allow for significant program changes or a downturn in the economy. As proposed, TANF expenditures would surpass TANF revenues. This would reduce the TANF reserve balance which would require reductions in other TANF funded grants or programs in future years.

TANF Employment Services are provided to adults required to meet federal work activity requirements. These services include providing job training, supports, and other activities to assist persons in becoming employed and maintaining that employment. The number of persons participating in this program correlates to the number of TANF Cash Assistance cases. Historically, the number of participants is 72.2 percent of the TANF Cash Assistance cases. The following table details the effect the bill would have on the expenses related to TANF Employment Services based on an increase in the TANF Cash Assistance caseload:

| | FY 2026 | FY 2027 |
|--|------------------|------------------|
| Estimated additional TANF cases | 522 | 851 |
| Percentage of TANF employment services adults | 72% | 72% |
| Additional TANF adults requiring employment services monthly | 377 | 614 |
| Cost of services per person per month | \$65.00 | \$65.00 |
| Additional TANF costs for employment services | \$294,060 | \$478,920 |

The number of individuals participating in TANF Employment Services is projected to increase an average of 377 persons per month in FY 2026 and 614 in FY 2027. The cost per person is based on current expenditures. All expenses could be funded with federal TANF funds. However, as TANF expenses are exceeding revenues in the current budget, reductions in other programs or grants would be necessary to fund the proposed changes.

The bill would increase and extend eligibility for TANF cash assistance. To enable these families to comply with TANF work requirements, some families would require child care assistance. The increase in the TANF caseload would increase the number of families receiving Child Care Subsidy as a TANF recipient (this is separate from those receiving subsidies for employment purposes). The percentage of TANF cash assistance cases also receiving child care assistance is currently 11.14 percent. For estimation purposes, it is projected 11.14 percent of the new TANF cases would require or be eligible to receive Child Care Subsidy.

The bill would also remove the requirement to comply with CSS in order to receive subsidy benefits. Historical data shows an average of six cases are denied and three cases are closed monthly due to noncooperation. Based on benefits being drawn for 24 months, the anticipated monthly increase in child care subsidy cases would be estimated at 59 for FY 2026 and 167 for FY 2027 and beyond.

The projected increase in cases related to the removal of the requirement for CSS cooperation is based only on historical information. It has been reported there may be eligible families who are not applying because of this requirement. However, there is no information to measure this. The following table details the effect of this bill on Child Care Subsidy payments:

| | FY 2026 | FY 2027 |
|--|--------------------|--------------------|
| Projected child care case increase associated with TANF caseload increase | 58 | 95 |
| Projected child care case increase associated removal of CSS non-cooperation | 59 | 167 |
| Total projected increase in child care cases | 117 | 262 |
| Estimated persons per case | 1.71 | 1.71 |
| Total projected additional persons for child care | 200 | 447 |
| Projected monthly benefit per person | \$627 | \$627 |
| Total Additional Child Care Benefits | \$1,504,800 | \$3,363,228 |

Persons per case are based on current levels. The monthly benefit is the most recent projected benefit amount. Child Care Subsidy payments would be projected to increase \$1.5 million in FY 2026 and \$3.4 million in FY 2027. The increase would be primarily due to the increase in the TANF caseload. All expenses could be funded 100.0 percent with federal Child Care Development Funds (CCDF).

DCF receives CCDF Discretionary funds to support the Child Care Subsidy Program. These funds must be obligated within two years and liquidated in the third. There is currently a

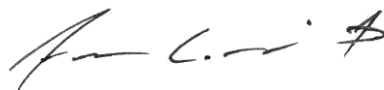
balance of funds available. However, budgeted expenditures are exceeding revenues. Additional state funds, program reductions, or changes to the subsidy program would be needed once the current revenue balance is exhausted to provide and maintain these services in future years.

The bill would remove the requirement that all food assistance recipients between the ages of 18 and 59 without dependents who are not working at least 30 hours per week be assigned to an employment and training program. This requirement became effective in October 2022. Prior to this date, it was a voluntary program. This change would be expected to reduce the number of participants. It is estimated the monthly caseload would return to levels similar to those before the program became mandatory. Supplemental Nutrition Assistance Program Employment and Training benefits are funded with 50.0 percent state funds. The projected reduction in caseload is expected to reduce expenditures from all funds by \$60,505 and state funds by \$30,253 in FY 2026. Increased savings are projected for FY 2027 and beyond.

This bill would change several eligibility requirements which would require eligibility system changes. The estimated cost for these changes would be \$298,236. These changes would be funded through a combination of funding sources which includes 53.42 percent state funds. Additional state funds may be needed, if other federal funds are not available as noted previously.

The Office of Judicial Administration indicates that enactment of HB 2287 would not have a fiscal effect on the Judicial Branch. Any fiscal effect associated with HB 2287 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish or symbol.

Adam C. Proffitt
Director of the Budget

cc: Kim Holter, Department for Children & Families
Trisha Morrow, Judiciary