

February 1, 2023

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 2179 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2179 is respectfully submitted to your committee.

HB 2179 would eliminate the requirement that families receiving child care assistance cooperate with child support services. Currently, families are disqualified from receiving these benefits due to non-cooperation.

Estimated State Fiscal Effect				
	FY 2023 SGF	FY 2023 All Funds	FY 2024 SGF	FY 2024 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$1,365,488
FTE Pos.	--	--	--	--

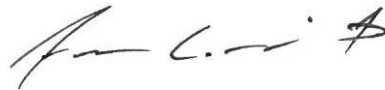
According to the Department for Children and Families (DCF), the elimination of child support cooperation would have an effect on the child care assistance caseload. Families who have previously been denied benefits due to non-cooperation would now be eligible to receive this assistance. On average, 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. The following table details the fiscal effect of these changes on the projected child care caseload:

	<u>FY 2024</u>	<u>FY 2025</u>
Total Projected Average Monthly Cases	85	241
Estimated Persons/Case	1.72	1.72
Total Projected Average Monthly Persons	146	414
Projected Monthly Benefits/Person	\$494	\$519
Total Additional Child Care Benefits	\$865,488	\$2,576,902

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 the above estimates.

The bill would change 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 HB 2179 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Kim Holter, Department for Children & Families