

DATE: March 3, 2020

BILL NUMBER: HB1313

COMMITTEE: Appropriations

BILL TITLE: Family Investment Program – Temporary Cash Assistance - Eligibility

DHS POSITION: Letter of Information

The Department of Human Services (DHS) respectfully offers this letter of information regarding House Bill 1313. As drafted, HB1313:

1. Prohibits reducing or terminating Temporary Cash Assistance (TCA) benefits for certain individuals who qualify for certain exemptions under certain circumstances;
2. Defines “good cause” in regards to noncompliance with the TCA work activity requirement;
3. Expands considerations when evaluating an individual for work activities;
4. Designates a certain percentage of the TCA benefit to the adult members and children of the household;
5. Restricts a household sanction to a percentage reduction of the adult member TCA benefit; and
6. Imposes a 25% benefit reduction for noncompliance with child support requirements;

The bill, if passed, would require implementation on October 1, 2020. Delayed implementation of the bill and proposed sanction process would significantly reduce the cost associated with system upgrades. Updating CARES, the current eligibility system, is estimated to cost \$356,120 and would take 3070 hours to complete. According to current timelines, the CARES system will be superseded by a new eligibility system just three months after implementation of this bill. By delaying implementation to July 1, 2021, DHS would only need to modify its new eligibility system, which is slated to roll out Statewide by early 2021.

The Department would ask the Committee to consider multiple benefit reduction models for non-compliance on any sanction. The Department’s current recommendation would allow a case to be closed for non-compliance if the case has been sanctioned for three months *unless* the customer complies with work requirements, *or* good cause and/or an exemption has been identified. If the case is reopened within 90 days, a new application is not required.

The goal is to create a mechanism through which the Department can engage individuals who may otherwise accept the diminished grant amount.

The Department appreciates the opportunity to share the aforementioned information regarding HB1313 and respectfully requests that this information be considered during the Committee’s deliberations.

