BILL NUMBER: SB787

COMMITTEE: Finance

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 Senate Bill 787. As drafted, SB 787:

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;
7. Removes any and all opportunities to close a case for non-compliance with a work or education activity at any point in time.

The Department supports extending the opportunity for the LDSS to assess a customer for good cause or barriers to participating in a required work activity prior to every sanction. At present, this opportunity exists only at the first sanction. The Department is committed to ensuring an equitable and fair sanction process. In the spirit of equity, the Department will be implementing a uniform, standardized assessment to identify barriers and/or good cause to participating in a required work activity, thereby supporting the LDSS in uniformly implementing the policy across the State.

Considering the uncertainty of the future of TANF reauthorization and the trending stricter rules surrounding work requirements in other federal assistance programs, the Department does not wish to jeopardize the States' block grant through efforts that are in direct opposition of the goals of our federal partner. The State currently receives $229 million in TANF block grant funding. The TANF block grant is also tied to the Department's Title IV-D funding, which is an additional $88 million that could be impacted.

The Department is fully committed to enhancing its Two-Generation efforts through the TCA program by supporting parents on their path to economic empowerment. It is clear, the mechanism to provide that support is meaningful, consistent engagement with education, skills training, and job opportunities. Creating an opportunity through which a parent can receive a federally time limited benefit without engaging them in activities that ultimately result in employment is not only a disservice to the parent, but ultimately the children in the home. Evidence is clear that parental success is a contributing factor in the lifetime achievement of their children (Center on the Developing Child, Harvard University). The

Department's commitment to structuring work programs to best impact the whole family is clear through its Transitional Supportive Services (TSS) program that extends benefits to families transitioning off of TCA due to earned income.

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 need to modify its new eligibility system, which is slated to roll out Statewide by early 2021.

The Department appreciates the opportunity to share the aforementioned information regarding SB787 and respectfully requests that this information be considered during the Committee's deliberations.