

MINUTES OF THE HOUSE COMMITTEE ON LABOR AND INDUSTRY

The meeting was called to order by Representative Arthur Douville at
Chairperson

9:00 a.m. ~~pm~~ on February 15, 1984 in room 526-S of the Capitol.

All members were present except:

All were present.

Committee staff present:

All were present.

Conferees appearing before the committee:

Wayne Maichel, AFL-CIO
Jerry Powell, Public Employees Relations Board
Ron Calbert, UTU
Dr. Harder, S.R.S.

Chairman Douville asked Representative John Sutter to speak to the committee members of HB 2785. See attachment #1.

The following people, in turn, spoke in support of HB 2785: Wayne Maichel, Jerry Powell, Ron Calbert and Dr. Harder, who gave to the committee members attachments #'s 2, 3 and 4.

Dr. Harder said that a person who works full time for minimum wage earns \$3400.00 a year. A family of 4 on welfare receives \$4620.00 plus food stamps and a medical card a year.

The meeting was adjourned at 9:40 a.m.

Labor + Industry 2-15-84

Bob Halges	Topeka	KCCI
Joe Fyamin	Topeka	KASB
DAN MORGAN	"	AGC of KS.
Nancy Waidenheimer	Hinsley	
Ron Calbert	Newton	U.I.U.
Harry DeKeller	Wichita Ks	AFL-CIO
Wayne Maichel	Silver Lake Ks	U
Jerry Powell		DHR
Skip Hexis		DHR

Rep. John Sutter
Labor and Industry Committee
February 15, 1984

HB 2785

CONCERNS THE PAYMENT IN THE STATE OF KANSAS OF A MINIMUM WAGE OF \$2.25 PER HOUR. IT HAS BEEN 7 YEARS SINCE HB 2110 WAS PASSED WHICH PROVIDED \$1.60 PER HOUR FOR EMPLOYEES IN KANSAS WHO QUALIFY UNDER THIS LAW AND WHO HAVE BEEN A FORGOTTEN GROUP IN WHICH OUR COST OF LIVING HAS INCREASED 64.9%, YET THEY HAVE HAD NO WAGE INCREASE SINCE THE LAW WAS ENACTED.

SINCE JANUARY 1, 1981, THERE WERE 9 STATES WITHOUT A MINIMUM WAGE LAW AND THEY ARE ARIZONA, FLORIDA, IOWA, LOUISIANA, MISSISSIPPI, MISSOURI, SOUTH CAROLINA AND TENNESSEE.

THE PREVAILING STATE WAGES IN OTHER STATES ARE \$3.85 IN ALASKA; TWELVE STATES PAY \$3.35 PER HOUR AND THEY ARE, CALIFORNIA, CONNECTICUT, HAWAII, MASSACHUSETTS, MICHIGAN, MINNESOTA, NEW HAMPSHIRE, NEW MEXICO, NEW YORK, PENNSYLVANIA, RHODE ISLAND AND VERMONT; WISCONSIN PAYS \$3.25 PER HOUR; 5 STATES PAY \$3.10 PER HOUR AND THEY ARE MAINE, MARYLAND, NEW JERSEY, OKLAHOMA AND OREGON; 7 STATES PAY \$2.65 TO \$2.90 PER HOUR AND THEY ARE ARKANSAS, NEVADA, NORTH CAROLINA, NORTH DAKOTA, UTAH, VIRGINIA, AND WEST VIRGINIA; 5 STATES PAY \$2.30 PER HOUR AND THEY ARE IDAHO, ILLINOIS, OHIO, SOUTH DAKOTA AND WASHINGTON; 5 STATES PAY \$1.90 TO \$2.15 PER HOUR AND THEY ARE INDIANA, KENTUCKY, COLORADO, DELAWARE AND MONTANA; 3 STATES PAY \$1.60 PER HOUR AND THEY ARE NEBRASKA, WYOMING AND KANSAS; TEXAS PAYS \$1.40 PER HOUR AND GEORGIA PAYS \$1.25 PER HOUR.

KANSAS RANKS 39TH IN WAGES, YET 15TH IN WEALTH, ALTHOUGH THE MINIMUM WAGE LAW DOES NOT CORRESPOND ACCORDING TO OUR WEALTH. IT IS ESTIMATED BY OUR DEPARTMENT OF HUMAN RESOURCES THAT OUR STATE WAGE

Attch. 1

LAW APPLIES TO ABOUT 11 TO 14% OF THE 1,177,400 CIVILIAN LABOR FORCE, WHICH WOULD BE ABOUT 125,000 WORKERS. IN KANSAS A FAMILY OF 4 WHICH LIVES ON AN INCOME OF \$7,412 A YEAR IS AT THE POVERTY LEVEL. UNDER OUR STATE MINIMUM WAGE LAW AN EMPLOYEE MAKING \$1.60 PER HOUR WORKING 40 HOURS A WEEK DRAWS A PAYCHECK OF \$64 OR \$3,228 A YEAR. OUR WELFARE LAW DOES NOT ALLOW THIS GROUP OF PEOPLE TO RECEIVE POTENTIAL MONETARY HELP FROM OUR STATE WELFARE, EXCEPT FOOD STAMPS, ENERGY ASSISTANCE AND SOME MEDICAL ASSISTANCE. I WOULD LIKE TO REMIND YOU LEGISLATORS THAT IT COST THAT EMPLOYEE, WHEREVER THEY ARE LIVING IN KANSAS, JUST AS MUCH TO PURCHASE A BOTTLE OF MILK, A LOAF OF BREAD, A CUP OF COFFEE, A GALLON OF GAS, A KILOWATT OF ELECTRICITY, A CUBIC FOOT OF WATER OR AN MCF OF GAS TO HEAT THEIR RESIDENCE AS IT COSTS YOU OR MYSELF TO LIVE.

IN CONCLUSION, I HOPE THIS SUMMARY OF THE WAGE RATES IN THE VARIOUS STATES WILL HELP YOU TO REALIZE THAT KANSAS IS FAR BEHIND IN IT'S EFFORTS TO RAISE OUR MINIMUM WAGE SO THAT IT'S EMPLOYEES UNDER OUR STATE LAW AND WHO HAVE NOT HAD A WAGE INCREASE IN 7 YEARS, WILL REALIZE A MODERATE AND RESPECTFUL LIVING IF THIS BILL PASSES.

BASIC ELIGIBILITY REQUIREMENTS

Aid to Dependent Children (ADC) and General Assistance (GA)

Complete information regarding ADC and GA eligibility is contained in the Kansas Administrative Regulations and in the Kansas Public Assistance Manual.

Persons Eligible

For ADC there must be at least one child who is: (1) under the age of 18 years, or under 19 and a full-time student in a secondary or an equivalent level of vocational school who may reasonably be expected to complete the program prior to his or her 19th birthday; (2) living with a relative of a specified degree; and (3) deprived due to unemployment, incapacity, or absence of a parent.

To receive GA the applicant/recipient must not be eligible for ADC or SSI. There are two GA programs, General Assistance Unrestricted (GAU) and Transitional General Assistance (TGA). Most GA recipients are adults who are not aged, blind, or disabled by SSA standards.

An additional requirement for ADC and GA is that the applicant/recipient's nonexempt income and other resources must be insufficient to meet their budgetary needs.

Resources (Including Income)

Public assistance eligibility is restricted to those individuals and families whose gross income does not exceed 150% of budgetary standards.

In determining countable income, consideration is given to all income of legally responsible persons, and nonlegally responsible stepparents in the home of an ADC eligible child unless specifically exempt.

Certain resources are exempt for both ADC and GA including:

- . The home in which the individual or family resides.
- . Assets of less than \$500 for one individual or \$1,000 for two or more individuals.
- . The equity value of one vehicle not exceeding \$1,500.
- . Household equipment and furnishings in use, personal effects, and tools in use.

Items of Need

Cash payments for persons in their own home are based on standardized allowances for maintenance. For GA the amounts for basic and shelter are the proportionate share for the number of persons in the assistance plan in relation to the number of persons in the household. In addition, only 80% of the total need is allowed except in special circumstances for persons living in their own home. For ADC, a percentage reduction of the shelter allowance is contained in the standard for persons in shared living arrangements.

The basic standard includes such items as food, clothing, utilities, household, and personal needs. The following table reflects 100% of the basic standards in ADC and GAU:

Persons in Plan					
1	2	3	4	5	6 and up
\$110	\$174	\$232	\$279	\$321	+ \$42 per person

For ADC and GAU, the shelter standard varies based on location in the state. The shelter standards are \$74, \$84, \$95, \$106, and \$132 per month.

A payment standard of \$100 for single persons and \$175 for married couples is used in the TGA program.

Special standards are allowed for persons in board and room arrangements.

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BASIC ELIGIBILITY REQUIREMENTS

Medical Assistance Related to Federal Categories (Title XIX)

Complete information regarding MA eligibility is contained in the Kansas Administrative Regulations and the Kansas Public Assistance Manual.

Persons Eligible

- . All persons receiving ADC;
- . All former AABD recipients receiving state supplemental cash payments;
- . All persons receiving SSI payments;
- . Most other Kansas residents who meet the following qualifications:
 - . Nonexempt income is insufficient to meet necessary medical costs in addition to maintenance needs as measured by a protected income standard;
 - . The value of other nonexempt resources does not exceed a standard; and
 - . All nonfinancial eligibility factors of a federal category of cash assistance are met by all members of the assistance plan. The federal categories include ADC and the SSI categories of Aid to the Aged, Blind, and Disabled.

Resources

- . Income - Certain income is exempt by Federal regulation. Monthly amounts of non-exempt income indicated below are protected for meeting maintenance needs. Eligibility is generally determined by a six-month period. Income above the protected amounts is considered available to meet allowable medical costs (spenddown). Medical assistance is available only for excess expenses covered under the scope of services.
- . Protected Monthly Income for Persons in Family Living (Not in Long-Term Care):

\$305 for 1	\$420 for 3
\$410 for 2	\$430 for 4
- . Protected Income for Persons in Care Facilities: \$25 per month.
- . Other Resources - An eligible applicant/recipient may own the following resources, that is, they are exempt:
 - . Property used solely as a home;
 - . Household equipment and effects in use or only temporarily not in use; and
 - . One vehicle per assistance family group and an additional vehicle if essential for employment or to obtain medical care.

Additionally, an eligible applicant/recipient may own nonexempt resources if their total value does not exceed \$1,500 for 1 person or \$2,250 for 2 or more persons.

Scope of Medical Services and Payment

Payable medical care includes: Care in hospitals, nursing homes, some state institutions; full diagnostic and treatment services of professional practitioners in most medical fields; prescribed drugs; prostheses; and other related medical necessities. Transportation (including ambulance) and other attendance subsistence costs necessary to secure the medical care are included. Medical costs are being paid directly to the provider of medical services on the basis of individual billing, after such "third party" resources as Medicare and insurance benefits have been utilized.

NOTE: GA adult recipients receive more limited medical services under the MediKan program. Refer to the MediKan brochure for specific information.

BASIC ELIGIBILITY REQUIREMENTS
FOOD STAMP PROGRAM

A. PERSONS ELIGIBLE

Households of one or more persons with low incomes:

1. With no jobs
2. With part-time work
3. Who do not earn much money
4. On public welfare or other assistances
5. On Social Security or with small pensions

B. INCOME

Money earned by working or payments received on a regular basis are counted as income. Food stamp income limits go up as household size increases.

C. INCOME DEDUCTIONS

The following can be deducted from total monthly income to determine monthly net income:

1. To cover basic household expenses, a standard deduction will be subtracted.
2. To cover work-related expenses and payroll taxes, an 18% deduction will be subtracted from earned income.
3. To cover dependent care and/or high shelter expenses, a deduction for actual costs, up to the maximum allowed, may be subtracted.

MAXIMUM MONTHLY NET INCOME

\$405 for one person	\$ 965 for five persons
545 for two persons	1,105 for six persons
685 for three persons	1,245 for seven persons
825 for four persons	1,385 for eight persons

Add \$140 for each additional person.

D. RESOURCES

All households may have up to \$1,500 worth of resources. Households of two or more persons may have up to \$3,000 if at least one member is age 60 or older.

Liquid Assets:

1. Cash and checking and savings accounts
2. U.S. Savings Bonds
3. Stocks and bonds
4. Savings certificates
5. Lump sum payments

Attch. 3

Non-Liquid Assets:

1. Buildings (except family home)
2. Land
3. Certain real or personal property
4. Licensed and unlicensed vehicles
5. Boats and recreational vehicles
6. Vacation homes
7. Jointly owned resources

E. EXEMPT RESOURCES

Some resources not considered for eligibility are:

1. Home and lot
2. One licensed vehicle under certain circumstances
3. Vehicles needed for purposes of employment
4. Life insurance policies
5. Income-producing real estate
6. Tradesman tools
7. Farm Machinery

F. WORK REGISTRATION

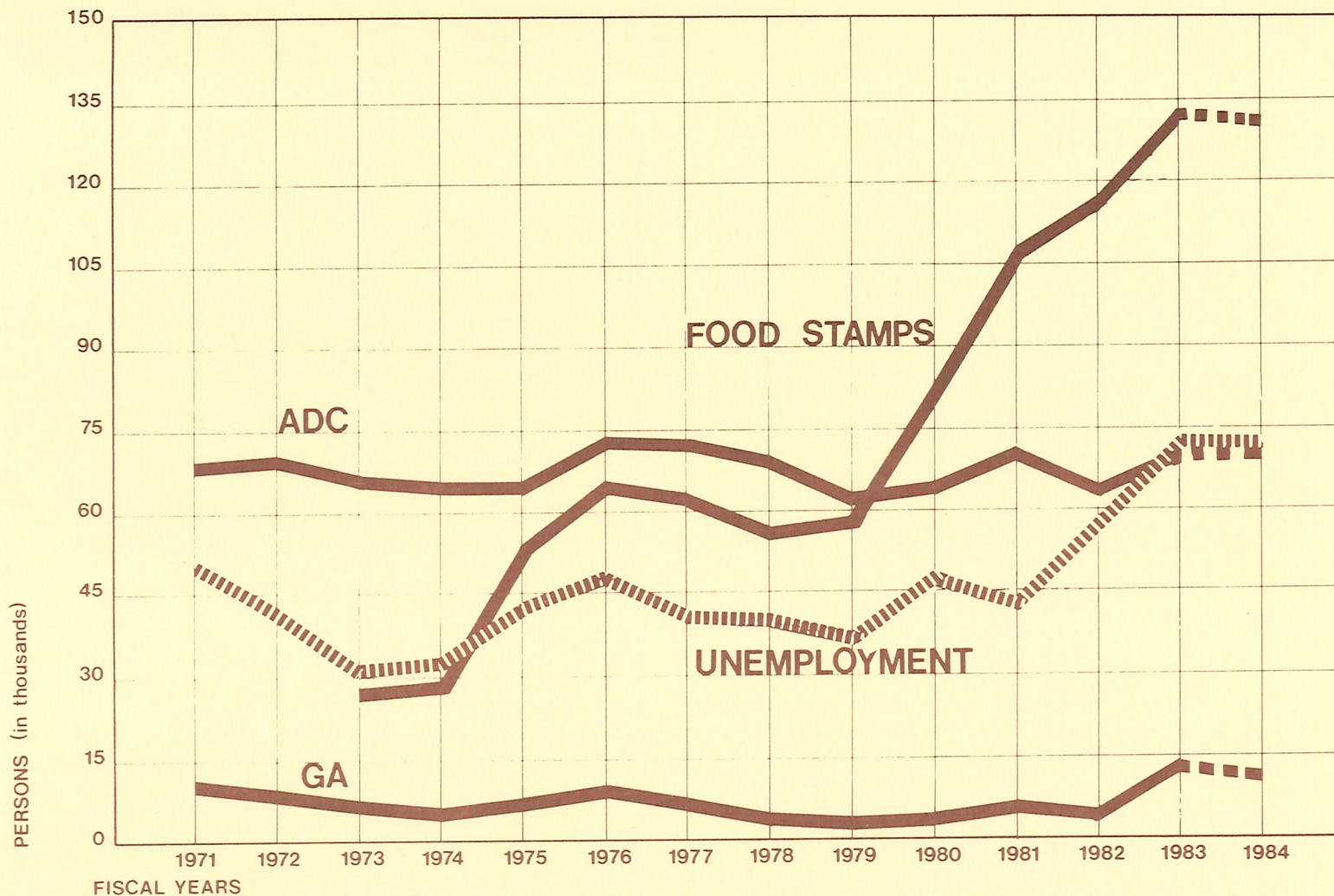
All able-bodied household members between 18 and 60 years of age (with certain exceptions) must register for and accept suitable employment. Exceptions to the work registration ruling will be determined at the time of initial certification, recertification, or changes in employment status.

THE STANDARDS FOR PARTICIPATION IN THE FOOD STAMP PROGRAM ARE THE SAME FOR EVERYONE WITHOUT REGARD TO RACE, COLOR, RELIGIOUS CREED, NATIONAL ORIGIN, SEX, OR POLITICAL BELIEFS.

#4

KANSAS PUBLIC ASSISTANCE AVERAGE NUMBER OF PERSONS - ADC, GA, FS & UNEMPLOYMENT

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The sharpest climb during FY 1982 was in unemployment, which rose from an average of 55,058 in FY 1982 to 73,283 in FY 1983. General Assistance (GA) experienced a marked increase, while the rise in Aid to Dependent Children (ADC) was more moderate. The table on the back shows the changes in these programs in more detail. The number of persons receiving Food Stamps climbed sharply during FY 1983 to a monthly average over 134,000 persons. The number of recipients in all programs is expected to decline during FY 1984, as unemployment decreases and the economy improves.

Atch. 4

**KANSAS PUBLIC ASSISTANCE
ADC AND GA PERSONS AND CASES***

Fiscal Year Averages**	Aid to Dependent Children				General Assistance			
	Cases	Persons	Average Persons Per Case	Average Payment Per Case	Cases	Persons	Average Persons Per Case	Average Payment Per Case
1972	19,375	72,373	3.74	\$183.47	4,759	8,681	1.82	\$ 92.67
1973	20,099	69,991	3.48	194.50	4,670	7,393	1.58	98.62
1974	19,838	65,913	3.32	187.03	4,012	5,931	1.48	96.55
1975	20,407	65,286	3.20	197.15	4,721	7,377	1.56	119.95
1976	23,582	73,215	3.10	225.05	6,453	9,717	1.51	139.25
1977	25,390	73,059	2.88	239.57	6,389	7,723	1.21	146.00
1978	25,320	70,228	2.77	216.95	4,895	5,250	1.07	128.72
1979	22,413	63,138	2.82	235.34	3,748	4,343	1.16	129.59
1980	23,193	64,124	2.76	265.67	4,339	4,612	1.06	147.68
1981	26,311	71,193	2.71	291.54	6,158	6,837	1.11	170.42
1982 **	23,306	64,737	2.78	302.61	7,806	8,700	1.11	167.67
July 1982	22,114	63,196	2.86	\$318.48	9,799	10,995	1.12	\$163.12
August	22,615	65,065	2.88	319.08	10,326	11,627	1.13	161.70
September	22,744	65,550	2.88	322.09	10,472	11,679	1.12	161.60
October	23,137	66,553	2.88	320.37	10,645	12,043	1.13	162.51
November	23,375	67,426	2.88	320.04	10,722	12,189	1.14	159.04
December	23,786	68,740	2.89	317.42	11,516	13,046	1.13	158.86
January 1983	24,336	70,767	2.91	319.11	12,082	13,791	1.14	157.96
February	24,556	71,788	2.92	316.10	12,651	14,497	1.15	154.07
March	25,154	73,431	2.92	315.11	13,016	14,966	1.15	150.42
April	25,359	74,548	2.94	318.53	13,693	15,694	1.15	126.11
May	25,161	74,468	2.96	307.92	13,097	15,007	1.15	125.99
June	24,533	71,660	2.92	304.72	12,448	14,334	1.15	124.95
1983	23,906	69,433	2.90	\$316.48	11,706	13,322	1.14	\$149.30

* Maintenance Stat Report.

** Cases and persons for fiscal year are monthly averages.

During FY 1983, the average number of persons receiving Aid to Dependent Children (ADC) each month rose slightly less than 7%. The average number of persons in a case increased 4% in FY 1983, and the average grant per case increased 5% per month.

On General Assistance (GA), the average number of recipients per month rose by more than a third to 13,322. The average number of persons per case increased 3%, but the average grant fell 11% in FY 1983.