

Approved April 30, 1988
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at
Chairperson

11:00 a.m./~~8:00~~ on March 30, 1988 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Scott Rothe, Robin Hunn, Emalene Correll

Revisor's Office: Norman Furse

Committee Office: Judy Bromich, Pam Parker

Conferees appearing before the committee:

Winston Barton, Secretary, Department of Social and Rehabilitation Services
(SRS)

Marjorie Byington, SRS

Jan Allen, SRS

HB 2644 - Establishing a work experience and training program for public
assistance recipients.

Staff reviewed the Subcommittee Report on HB 2644 - KanWork. (Attachment
1)

Senator Talkington told the Committee that the Subcommittee heard from approximately 13 conferees during its study and most of the conferees agreed with the concept of HB 2644. Senator Bogina reported that the issue of greatest concern expressed by the conferees was that of funding to insure a successful program.

Staff answered questions by stating that as far as she knows the only aspect of the KanWork program which might be unique to the state of Kansas is the idea of state operated day care centers using public assistance clients to help in the staffing of those centers. There were no specific recommendations for an appointment of a representative from a Department of Social Welfare of a major university in the state to the Interagency Coordinating Committee but there was the recommendation for a social services advocacy representative on that Committee.

Secretary Barton told the Committee that his major concern with HB 2644 is funding. In answer to questions, Secretary Barton said the only reason Barton County was selected as a location for a pilot KanWork program was experienced staff. Most of their staff in all counties are very eager to have the KanWork program if the funding is available. He stated that the key is the funding because that will dictate program location. The cost of KanWork in Shawnee County would probably be between \$700,000 and \$1 million. Secretary Barton said that he feels if federal legislation is passed concerning welfare reform, HB 2644 may be very compatible, and not need much adjustment to conform with what Congress might pass.

Ms. Byington stated that she worked with the Subcommittee on HB 2644 and she supports the remarks and answers of the Secretary.

Ms. Allen stated that she supports the Secretary in the opinion that the funding of the KanWork program is crucial to its success. Ms. Allen agreed with a statement by Senator Werts that SRS prefers, generally, to contract with private day care providers.

Senator Winter offered a motion to amend HB 2644 by including a representative from one of the state university's social welfare programs on the Interagency Coordinating Committee. Senator Gannon seconded the motion. During discussion, Senator Winter altered his motion to substitute one of the open positions on the Committee with a representative from one of the state university's social welfare programs. Senator Gannon seconded that motion and it carried on a voice vote.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported here have not been edited to reflect deletions or additions made before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,
room 123-S, Statehouse, at 11:00 a.m.~~xxx~~ on March 30, 1988

Senator Gaines moved, Senator Talkington seconded, to amend HB 2644 with the amendment as outlined in Attachment 2. Following discussion, the motion carried on a show of hands.

Senator Gaines moved, Senator Doyen seconded, to report HB 2644 favorably as amended. The motion carried on a roll call vote.

MINUTES

Senator Talkington moved, Senator Winter seconded, the approval of the minutes from the March 7, 8, and 14, 1988 meetings. The motion carried on a voice vote.

The meeting was adjourned.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: 3/30/88 AM
+ PM

NAME (PLEASE PRINT) ADDRESS COMPANY/ORGANIZATION

Nike Atford	1430 Topoka	KACEH
Jane Burgett	2700 W 6th	Topoka Area SRS
Marjorie Byington	2700 W. 6th	SRS-Central office
Linda Carter	401 Topoka	DHR
Ann Seeburg	DSOB	SRS
Ante & Wolf	401 DHR Topoka	KDHR
John Smeedlin	DS013	SRS
Paul Johnson	Topoka	PACK
Jim Allen	Topoka	SRS-Commissioner
Melissa Ness	Topoka	KCSL
Winston Banton	"	SRS
Henry Williams	"	Sen Mulich
Sen. Cerrito	"	SRS
Benny Maxwell	Lawrence	Intergov
Richard Funk	Topoka	KASB
Helma Hunter Gordon	Topoka	SRS
Marlin Rasmussen	KU	Law
WALT DARLING	TOPERA	DIV. OF BUDGET
Jim Yonally	Overland Park	USD # 512
Juanita Decker	Topoka, KS	USD # 501
John Stuhler	Manhattan	KAPS
Mary Allen	Topoka	Ks. Legislature
JOHN JOSSELAND	Lawrence	Lawrence KU
Bob Gottschalk	Hitchinson	Hq. St. Fair
Sam Kolditz	Top.	ATTY. General
ED SCHAUB	TOPEKA	DIST. JUDGES ASSOCIATION

SWAM 3-30-88
(AM + PM)

SUBCOMMITTEE REPORT ON H.B. 2644-KanWork

H.B. 2644 provides for a welfare reform program. The bill was recommended by the 1987 Special Interim Committee on SRS which studied SRS programs and the barriers to self-sufficiency for clients of the AFDC (Aid to Families with Dependent Children) program.

Background

The Interim Committee on SRS reviewed the following information on the AFDC program:

- Over 12 percent of the Kansas AFDC population has never worked.
- Over 44 percent have not worked in over two years.
- Over 69 percent are unskilled.
- Over 44 percent do not have a high school diploma.
- Many clients stay on AFDC because there are inadequate transitional services in the areas of daycare, medical care, and transportation. The current AFDC program does not provide incentives to seek employment rather than continue dependency on government; in fact, the system has many disincentives and barriers to self-sufficiency. Individuals who receive AFDC grants may be financially better off by staying on welfare than if they were to go to work full-time and pay child care and health care. Research and the experience of other states indicates that one of the most important components of a successful welfare reform program is provision of adequate transitional services in the areas of daycare, medical assistance, and transportation. Without adequate transitional services, clients too often end up back on public assistance.
- Many AFDC clients want to work.
- Nationwide, 54 percent of the women with children under age six and 51 percent of the women with children under age 3 are in the labor force. Current welfare programs are designed to pay clients to stay at home with their children, rather than work and seek self-sufficiency.
- Although SRS does have some work programs, the vast majority of AFDC clients are not involved in any work program. In FY 1987, only 2 percent of AFDC clients statewide participated in the Community Work Experience Program. The federal WIN (Work Incentive) program has been almost entirely eliminated due to federal funding cuts.
- National proposals for welfare reform all stress self-sufficiency and employment. The proposals call for provision of significant transitional services such as medical care and daycare to ensure

that clients stay off welfare. Congressional action on welfare reform appears to be stalled.

Summary of KanWork Provisions

The KanWork bill, as introduced, provides for the following:

1. The Secretary of SRS shall administer and be responsible for the KanWork program.
2. All AFDC clients whose youngest child is age three or over would be required to participate in KanWork. Clients with children under age three would be encouraged to participate. Provisions are included for exemptions for certain clients as determined by the Secretary of SRS through rules and regulations.
3. SRS shall evaluate all public assistance clients to determine whether the clients are required to participate in KanWork. The Secretary of SRS and the Secretary of the Department of Human Resources (DHR) shall enter into an agreement which provides that all AFDC clients who are determined to be job-ready shall be referred to DHR for initial employability assessment, goal setting, identification of support service needs, determination of employment and training needs, development of timelines for completion of activities and establishment of a written contract for self-sufficiency between the client and SRS.
4. Within the limits of appropriations, SRS shall establish and make available for eligible clients the following components of KanWork: unsupervised job search, supervised job search, job club, job referral and placement services, employment counseling, job training, community work experience, grant diversion, remedial education, college and community college education, vocation training, English as a second language instruction, and other programs that may be available through federal legislation.
5. Clients participating in the Community Work Experience Program component who are assigned to state agencies could count that experience in meeting civil service requirements.
6. SRS may enter into performance-based contracts for job development and services.
7. Support services during participation in KanWork are provided for as follows: (a) daycare would be provided through SRS reimbursement for private child care providers or through state daycare centers, (b) monthly transportation expenses would be provided, and (c) a volunteer program would be developed to provide family assistance services to clients.

8. Transitional services for clients who become employed and no longer receive AFDC cash grants are provided for as follows:
 - a. Daycare would be provided for up to six months upon employment (after which time the client could apply for the regular SRS low-income daycare program) and a fee would be charged to the client for that daycare based on a sliding scale.
 - b. Medical care would be provided for 12 months upon employment and no fee would be charged the first four months, one-third of the cost would be charged to the client the second four months and two-thirds of the cost would be charged to the client the last four months in the 12 month period. The bill requires SRS to seek a waiver from the federal government to allow federal matching funds for extended medical services.
 - c. Transportation assistance would be provided for up to six months upon employment.
 - d. Special needs allowances may be provided such as for a uniform or tools that are necessary for employment.
9. The KanWork Interagency Coordinating Committee is created to ensure cooperation among various levels of government, avoid duplication, encourage involvement by the private, public, and nonprofit sectors, and provide ongoing planning for the program. The Committee would be chaired by the Secretary of SRS and include the following members: (a) the Secretary of DHR; (2) the Secretary of the Department of Administration; (3) the Secretary of the Department of Commerce; and (4) the Chairperson of the State Board of Education. The membership would also include ten members to be appointed by the Governor including a representative from (a) the Kansas League of Municipalities, (b) the Kansas Association of Counties, (c) the financial community, (d) the business community, (e) organized labor, (f) the child support enforcement program of the judicial branch, and (g) a social services advocacy representative.
10. The bill amends the daycare licensing laws to provide that SRS shall license and inspect state daycare centers, rather than the Department of Health and Environment. The bill specifies that state daycare centers may provide services only for the children of KanWork participants or for state employees or both. The bill requires that staffing ratios at state daycare centers shall not be less than the staffing ratios required of other daycare centers.

Summary of Testimony on KanWork

The Committee held numerous hearings on H.B. 2644 and received testimony on the KanWork program from the following conferees: SRS, the

Department of Human Resources, the Kansas Association of School Boards, the Kansas Homes for the Aged, the Kansas League of Municipalities, Catholic Social Services, the Community Resource Council, the Department of Education, Topeka Family Shelter, Inc., Sharon Russell, the Kansas Hospital Association, the Kansas Chamber of Commerce and Industry, the K-NEA, the Kansas Legislative Policy Group, the Kansas Children's Service League, the Topeka Resource Center for the Handicapped, the Private Industry Council of Northeast Kansas, Ann Weick of the KU School of Social Welfare, the Topeka Housing Information Center, the Topeka Daycare Association, the Public Assistance Coalition, the superintendents of Parsons and Winfield State Hospital, and Let's Help.

The Subcommittee also received written testimony from persons unable to appear at meetings. Testimony was received from the Secretary of the Department of Administration, Ed Dutton of the KU School of Social Welfare, United Community Services of Johnson County, the Kansas Supreme Court, the SRS Advisory Council of Johnson County, and the Kansas Association of Community Action Directors.

The majority of the conferees were supportive of the bill. Many of the suggested changes to the bill are incorporated in the Subcommittee's recommendations. Other changes suggested include: the program should be voluntary rather than mandatory, teen fathers could be required to participate, additional members should be added to the Interagency Coordinating Committee, and there should not be a time limit on transitional services.

Subcommittee Recommendations

The Subcommittee recommends the following amendments to H.B. 2644:

1. The Subcommittee learned that SRS would generally prefer to contract with private daycare providers for state daycare centers, rather than set up centers staffed by state employees. The Subcommittee therefore recommends that the bill be amended to provide that state daycare centers will be licensed and inspected by the Department of Health and Environment as are other daycare centers. The Subcommittee further recommends that a provision be added to allow SRS and KDHE to enter into agreements if necessary to avoid any administrative complexities. The licensing of state daycare centers by SRS rather than KDHE was the area over which the most concern was expressed by conferees.
2. The Subcommittee recommends that there be a separate section in the bill regarding state daycare centers. The Subcommittee recommends that the state daycare centers be required to serve KanWork participants, but that the centers may also serve state employees. The Secretary should also be given the authority to enter into agreements with local governments and other agencies participating in the KanWork program to allow children of employees of those agencies to utilize state daycare centers. The Subcommittee believes that, by allowing agencies to utilize state daycare centers for their employees, those agencies may have greater incentive to participate in the KanWork program. State

and local agency employees using state daycare centers shall be charged a fee for that service based on a sliding scale.

3. The Subcommittee also recommends a new section in the bill to allow children of teen parents who have not yet completed high school to utilize state daycare centers if the parent is willing to agree to continue in high school or a GED program. The Secretary of SRS should be allowed to enter into agreements with local education agencies for such a program. The Subcommittee received testimony that many teen parents do not complete their high school education due to the lack of daycare services. The Subcommittee notes that women who become pregnant as teenagers and fail to complete high school are the most likely to become long-term welfare recipients.
4. The Subcommittee recommends that the responsibilities of the Secretary of SRS and the Secretary of the Department of Human Resources be clarified in the bill. Specifically, SRS should be responsible for establishing a contract for self-sufficiency with the clients, assessing support service needs, and initial assessment of job readiness. The Department of Human Resources should be responsible for determining appropriate employment and training services for job-ready clients. The Subcommittee notes that these clarifications would better reflect the intent of the Interim Committee on SRS and that this clarification was simply overlooked previously.
5. The Subcommittee recommends that a section be added to provide for a participant grievance and appeal procedure as is the case with current SRS programs. This change was requested by SRS.
6. The Subcommittee recommends that the membership of the Interagency Coordinating Committee be changed as follows: the chairperson of the State Board of Education would be deleted and a representative of a local education agency is added. The Subcommittee received testimony from the Kansas Association of School Board requesting that a local education agency be represented on the committee. The Subcommittee also recommends that the Interagency Coordinating Committee be authorized to issue reports if necessary.
7. The Subcommittee recommends that state and local agencies be included in the list of entities authorized to provide job training for KanWork participants. This change simply further clarified the intent of the program.
8. The Subcommittee recommends that the section providing for transitional medical services be amended to allow SRS greater flexibility in designing a transitional medical program and to allow the receipt of federal matching funds if possible. The Subcommittee learned of possible new options under the Medicaid program which SRS is still studying. The Subcommittee recommends that up to 12 months of transitional medical assistance be

provided but believes that creative approaches to financing this service may allow the state to provide the same services for half the cost by using federal funds. The Subcommittee also recommends the addition of a provision that nothing in the bill shall preclude clients transitioning from KanWork from utilizing existing state or federal medical assistance programs. SRS currently operates the AFDC-Medical Only program which is not time-limited and could benefit many persons exiting the KanWork program.

9. The Subcommittee recommends that the Secretary be allowed to extend transitional daycare assistance for more than six months for certain cases be defined through rules and regulations. The Subcommittee believes there may be some clients who need longer transitional services to avoid a return to welfare.
10. The Subcommittee reviewed the Job Training Partnership Act (JTPA) program operated by the Department of Human Resources. The Subcommittee notes that other states have utilized the JTPA program in welfare reform and that the welfare reform bill passed by the U.S. House of Representatives includes significant involvement with the JTPA program. The Department of Human Resources reviewed ways in which the KanWork program, if enacted, could be incorporated into existing JTPA programs. The Subcommittee also received testimony from one of the state's Private Industry Councils which expressed an interest in participating in KanWork. Public assistance recipients are a targeted group in the state JTPA plan, and the Subcommittee recommends that the JTPA program be utilized to the extent possible to provide services for KanWork participants. The Subcommittee recommends that the new state plan for JTPA place more emphasis on services for SRS clients and that the state plan should include guidelines for coordination with the KanWork program. The Subcommittee believes that the JTPA program should be able to provide a major portion of the employment and training components of the KanWork program. The Department of Human Resources noted that funds are available for participant support services which could be used for transportation and other support services for KanWork participants. The Subcommittee notes that by using the federally-financed JTPA program for many of the employment, training, and support services of KanWork, that the cost of the KanWork program to the state should be significantly reduced and JTPA funds will be spent on the most needy persons.
11. The Subcommittee found that the Department of Human Resources may be the appropriate agency to track client's success after participation in KanWork, and therefore recommends the Secretary of SRS be allowed to contract for the tracking and monitoring of client's success for up to 15 months after leaving public assistance.
12. The Subcommittee also recommends several minor technical amendments.

adopted

paH2644s2

Proposed Amendment -- HOUSE BILL NO. 2644
(As Amended by House Committee of the Whole)

On page 6, in line 230, following the period, by inserting the following: "To the extent practicable and to the extent that service providers and facilities are available therefor, child care services provided hereunder may be provided in facilities which are located at licensed adult care homes or which are operated in conjunction with the operation of the facilities of licensed adult care homes.";

On page 7, in line 259, following the period, by inserting the following: "To the extent practicable and to the extent that service providers and facilities are available therefor, child care services provided hereunder may be provided in facilities which are located at licensed adult care homes or which are operated in conjunction with the operation of the facilities of licensed adult care homes.";

On page 13, in line 475, following the period, by inserting the following: "To the extent practicable and to the extent that facilities are available therefor, state child care centers may be established and operated in accordance with this section in facilities which are located at licensed adult care homes or which are operated in conjunction with the operation of the facilities of licensed adult care homes."

ATTACHMENT 2
SWAM 3/30/88 (Am)