

Approved: February 2, 2000  
Date

MINUTES OF THE SENATE WAYS & MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on January 31, 2000 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD  
Michael Corrigan, Asst. Revisor of Statutes  
Debra Hollon, KS Legislative Research Department  
Judy Bromich, Administrative Assistant to the Chairman  
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Janet Schalansky, Secretary, Department of Social and Rehabilitation Services  
Paul Johnson, Public Assistance Coalition and Kansas Catholic Conference

Others attending: See attached list

**SB 436: Repeal of child support pass through**

Secretary Janet Schlanasky, Department of Social and Rehabilitation Services, appeared before the Committee to review child support collection pass-through as discussed in her written testimony (Attachment 1). She told members that repealing the \$40 pass-through would affect approximately 2,000 families each month, and she noted that each family that receives the monthly \$40 pass-through has an offsetting reduction in food stamps of \$13 per month.

In answer to a question, Secretary Schalansky stated that it was her understanding that reinstatement of the pass-through legislation in 1997 happened late in the session and its impact wasn't well understood. She said she believes that the \$50 rebate that existed prior to 1996 was seen as a benefit to families, but, at that point in time, the federal government did not take a percentage of the collections.

There was discussion regarding the impact this proposal would have on low-income families, and members asked what the Department would substitute for it. The Secretary told members she believes that this plan is not the fairest way to pass benefits to families because not all families in need receive child support. She stated that in a difficult budget year, the Department has to balance issues of fairness and equity and yet has to make adjustments in the agency's budget. She said that SRS would not propose a new initiative this year. There was general consensus that this program is not the most cost effective way to provide money to clients.

Mr. Paul Johnson, Director of the Public Assistance Coalition of Kansas, appeared before the Committee in opposition to **SB 436** and reviewed his written testimony (Attachment 2). In answer to a question regarding the establishment portion of the SRS child support system, Mr. Johnson stated that there is a backlog of approximately one-third of the open child support cases that do not have child support ordered at this time. He expressed some concern that administrative costs associated with the program might be included in the \$1 million identified by SRS as pass-through monies. The Secretary stated that administrative costs are not included in the \$1 million figure (Attachment 1-3).

The Chairman stated that **SB 436** would be held in Committee.

A response from the Department of Corrections in answer to the hypothetical situation of the Legislature not providing additional beds for inmates was distributed to members (Attachment 3) (See minutes of January 18, 2000). The Chairman told members that he had just recently received a response from the

## CONTINUATION SHEET

### SENATE WAYS & MEANS COMMITTEE MINUTES

Executive Secretary of the Sentencing Commission to the same request, and he would provide copies of that letter for members. He stated that he had received a call from the warden at the Hutchinson Correctional Facility who expressed concern about the fact that five inmates are being housed in cells designed for three. The Chairman stated that something may need to be done fairly quickly to address that problem. A member of the subcommittee on the Sentencing Commission requested that Legislative staff provide a summary of the options offered by the Secretary of Corrections and the Executive Secretary of the Sentencing Commission as well as proposals offered in a bill introduced at the request of the Sentencing Commission. It was requested that the summary also include any proposals recommended by Committees that would free up prison space by the use of federal monies in the community. In response to a request, the Chairman stated that he would check on the status of a response to questions asked on January 18, 2000 regarding debt service and operating costs from the Department of Corrections. Senator Ranson noted that she would appreciate having that information because of the possibility of building private prisons.

It was moved by Senator Lawrence and seconded by Senator Jordan that the minutes of the January 25, 26, and 27 meetings be approved. The motion carried on a voice vote.

The Chairman adjourned the meeting at 11:55 a.m. The next meeting will be held February 1, 2000.

# SENATE WAYS & MEANS COMMITTEE GUEST LIST

DATE: January 31, 2000

NAME	REPRESENTING
Bill Henry	Ks Governmental Consulting
Greg Jugman	DOB
Dawn Pannely	Lawrence J. W
Kathy Porter	OJA
Paul Johnson	PACK
Therese Barget	Ks. Cath. Conference
Amy Lyons	Intern - KU Law school
Carolyn McDonald	Ks St Ds Assoc
Michael Byington	Emission



State of Kansas  
Department of Social  
and Rehabilitation  
Services

Janet Schalansky, Secretary

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**Senate Committee on Ways and Means**

January 31, 2000

**S.B. 436, Repealing K.S.A. 1999 Supp. 39-7,154, Child Support Collection  
Pass-Through**

Office of the Secretary  
Janet Schalansky, Secretary  
(785) 296-3271

Senate Ways and Means Committee

Date *January 31, 2000*

Attachment # *1*

**Kansas Department of Social and Rehabilitation Services**  
**Janet Schalansky, Secretary**

Senate Committee on Ways and Means  
January 31, 2000

Mr. Chairman and members of the committee, thank you for this opportunity to testify today concerning Senate Bill 436. The statute that SB 436 will repeal requires the Child Support Enforcement Program (CSE) to pass through to families receiving Temporary Assistance to Families (TAF) the first \$40 of current support received on their behalf each month. This would affect approximately 2,000 cases each month -- out of 12,300 TAF cases and 150,000 CSE cases.

Prior to October 1996, all states were required to pass-through to assistance families the first \$50 of current child support collected each month. The federal government participated in the cost by waiving the federal share of the collections they would have otherwise recouped. At that time, pass-through was touted as a means of encouraging parents to cooperate with CSE.

Effective October 1, 1996, the federal mandate for pass through payments to TAF families was abolished. States are authorized to make pass through payments under state law in any amount, but Title IV-D requires that the federal share of all such collections be transmitted to HHS (U.S. Department of Health and Human Services).

Since Kansas had no separate state law that required or permitted continuation of pass-through payments to public assistance families, pass-through ended in Kansas as soon as the new federal law took effect. Few complaints were received. CSE administrators had long considered pass-through an ineffective tool for promoting cooperation with CSE, so it was no surprise that field staff reported no decline in parental cooperation when pass-through was discontinued.

During the 1997 Legislative Session, pass-through was reinstated in Kansas. K.S.A. 39-7,154 requires that up to \$40 per month of current support collected on behalf of an assistance family be passed through to that family by CSE. However, a family's food stamp benefit was reduced by \$13.00 due to the receipt of the \$40 by the family.

A minor programming change in the IV-D automated system would be needed to reduce the pass-through amount from \$40 to \$0. The calculation of pass through payments and the associated disregard of income for TAF purposes are highly automated; however, pass-through remains complex to administer both at the case level and program level. It blends distribution of child support collections - ensuring that the federal share is paid to HHS - with expenditure of state funds to make up for the federal share. Eliminating pass-through would simplify the CSE, TAF, and food stamp programs by decreasing the number of factors affecting payments and benefits to families. No additional staffing would be needed.

In FY 1999, \$962,144 passed through to TAF families. If K.S.A. 39-7,154 is repealed, using FY

1999 data, the state would realize \$1,000,000. As illustrated the net change in benefits to Kansas families is \$400,000.

	\$0 Pass Through	\$40 Pass Through
State Funds	\$0	\$1,000,000
Federal Food Stamps	\$300,000	(\$300,000)
Benefits to Families	\$300,000	\$700,000

Finally, passage of S.B. 436 would also remove a risk concerning equal protection. Not all families receive pass-through payments -- there is no comparable payment for families who have no hope of receiving child support payments because the absent parent is deceased or cannot be identified or located. As previously noted, CSE administrators have observed little beneficial impact on parental cooperation attributable to pass-through. If no rational purpose exists for pass-through payments, they may one day be challenged as a violation of the equal protection clause. Repealing the provision eliminates both the risk and the inherent unfairness that pass-through payments represent.

Thank you.



SENATE WAYS AND MEANS  
JANUARY 31, 2000  
TESTIMONY ON SB 436  
PAUL JOHNSON  
DIRECTOR – PUBLIC ASSISTANCE COALITION OF KANSAS

Thank you for the opportunity to testify on this bill. This bill is a most unfortunate proposal by the Department of Social and Rehabilitation Services. This change impacts the most vulnerable families left on Temporary Assistance for Families (TAF). The families now left on TAF have the greatest barriers to employment and least able to withstand the 8-10% cut in income this proposal represents. Once this income is taken back it will never be replaced given the tremendous budget problems faced by SRS.

Factors for this committee to consider before a decision is made on SB 436:

1) The TAF cash benefit has not been increased since 1993. I have included an update of SRS's basic standard of need which shows how far the maximum TAF grant and food stamp allotment has fallen from the 'adequate but austere' standard. A \$27 dollar net increase on a base of a \$386 TAF benefit for a mother and two children is vital.

2) When all is said and done the SRS child support enforcement program deposits \$20 million in the SRS Fee Fund. It only seems fair that the \$600,000 to \$1 million necessary to flow through the \$40 child support payment to the 2000 TAF families should come from this contribution to the SRS Fee Fund. As usual SRS has drained the SRS Fee Fund for several programs except for the TAF families themselves. Please consider that there are 3000 to 4000 children who will suffer from this change.

I can only hope that your SRS sub-committee will take the time to look closely at the SRS child support system especially the establishment portion. It is understaffed and there are thousands of support requests that need more attention. As the backlog of support requests is lessened more funds will be generated for the SRS Fee Fund and compensate for the federal cost of these \$40 payments. Thank you for this opportunity to present information on SB 436.

Senate Ways and Means Committee

Date *January 31, 2000*

Attachment # *2*

## Executive Summary

This report presents the Proposed Standard of Need and the Self-Sufficiency Standard for the State of Kansas, 1999. The Standard of Need updates the original proposed standard of 1995 in Gibbons *et al.* (1996). That standard was based on an “adequate but austere” approach to household income. It considered several categories of need, such as food, housing, transportation, and other consumption. The current report has not changed the items of consumption included in the standard. Table ES-1 presents the revised standard, and provides comparison information on the maximum cash assistance (Temporary Assistance to Needy Families-TANF) and Food Stamps available to households, as well as the Poverty Threshold. All data are reported in July, 1999 dollars. Kansas has not increased cash assistance to households and maximum food stamp benefits have not kept up with inflation since 1995, so TANF and Food Stamps benefits are meeting a smaller portion of the household need in 1999 than they did in 1995.

The second part of the report focuses on the development of a “self-sufficiency standard” for the State. It was driven by the need to determine the amount of monthly earnings, by household type and geographic region, necessary to make households totally independent of public and private assistance in any form. In Table ES-2, we report the Self-Sufficiency Standard for typical households in Kansas, based on expenditures of households facing average

Table ES-1  
 1999 Proposed Standard of Need, and Current Maximum TANF Cash Allowance, Maximum Food Stamp Allowance, and the 1999 Federal Poverty Line by Household Size (in 1999 dollars).

	Household Size (Single Female-Headed Households)								
	1	2	3	4	5	6	7	8	9
<b>Proposed Standard of Need</b>									
Food	164	286	402	502	589	711	826	927	1042
Housing	351	351	466	466	571	571	679	679	787
Transportation	193	193	193	193	219	244	269	294	319
Other Consumption	143	183	221	263	314	353	381	420	468
<b>Total</b>	<b>851</b>	<b>1013</b>	<b>1282</b>	<b>1425</b>	<b>1693</b>	<b>1879</b>	<b>2155</b>	<b>2320</b>	<b>2616</b>
<b>Assistance Maximums</b>									
Max TANF	224	309	386	454	515	576	637	698	759
Max Food Stamps	125	230	329	419	497	597	659	754	848
<b>Maximum Total</b>	<b>349</b>	<b>539</b>	<b>715</b>	<b>873</b>	<b>1012</b>	<b>1173</b>	<b>1296</b>	<b>1452</b>	<b>1607</b>
<b>Poverty Threshold</b>	<b>722</b>	<b>956</b>	<b>1118</b>	<b>1412</b>	<b>1630</b>	<b>1819</b>	<b>1995</b>	<b>2264</b>	<b>2682</b>






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Bill Graves  
Governor

Charles E. Simmons  
Secretary

**MEMORANDUM**

TO: Senator Dave Kerr

FROM: Charles E. Simmons 

cc: Members, Senate Ways and Means Committee

DATE: January 21, 2000

RE: Information requested during Ways and Means Comm., January 18, 2000

During my appearance before the Ways and Means Committee on January 18, 2000 you requested that I prepare a short report regarding what the Legislature could do to respond to increasing numbers of inmates if the option of developing more prison capacity was not available. Following are possible options, although they should not be construed as my recommendations.

- 1) Prison populations are controlled by decisions about which offenders go to prison and how long they stay. Impacting these factors involves sentencing policy, which requires legislative action. Certain conduct could be decriminalized, sentences could be shortened, or certain offenders diverted from prison. Public safety and public policy choices would have to be made.
- 2) Parole and post release supervision violators are a contributing factor to the increase in the short term. Although condition violators in the prison population are expected to decrease significantly under existing law over the 10-year projection period, one way of addressing this would be to end post release supervision for some or all offenses. Upon completion of the prison term the sentence would be considered satisfied. There are approximately 4,400 Kansas offenders under post-incarceration supervision in state, and 1,400 out of state. An alternative would be to shorten supervision periods, which has been proposed by the Sentencing Commission.

Senate Ways and Means Committee

Date *January 31, 2000*

Attachment # *3*

- 3) Approximately 1,500 probation violators are admitted each year. On December 31, 1999 there were 1,165 probation violators in the KDOC inmate population. A law could be enacted providing that once placed on probation an offender could not be incarcerated unless convicted of a new crime. This would require further development of community programs and potentially the need for counties to construct additional jail space.
- 4) Community programs could be enhanced with a requirement that they be utilized by the courts and the DOC. For example, in the department's expanded services budget I proposed development of day reporting centers and expanded electronic monitoring for post-incarceration condition violators. Substance abuse programs, residential beds, work release centers, and intensive community based services for the mentally ill, are also possible programs that could be developed for those on probation or parole, or in lieu of revocation of that status. I have proposed, as has the Sentencing Commission, that a target population for community corrections be established, including a provision that all probation violators must be assigned to community corrections before being incarcerated for a violation of supervision conditions.

In considering options, it should be kept in mind that the Sentencing Commission projections indicate that even if there were no parole condition violators at all at the end of the 10 year projection period, the prison population would still be 678 higher than it was on June 30, 1999. Also, the classification projections are that 1,213 of the 1,568 increase over the next 10 years will be in the medium and maximum custody classifications. In addition, I feel strongly that for reasons of staff, public and inmate safety the number of inmates incarcerated should not exceed available capacity. Accordingly, to the extent that actions are not taken to maintain the inmate population within existing capacity levels, I believe it is essential that such additional capacity as is necessary be developed.

See also the attached list of options I provided to Legislative staff several months ago.

Please advise if you have any questions or wish to discuss the options.

Attachment