



DCF Legislative Testimony

February 11, 2025

ORAL OPPONENT

TESTIMONY OF: Dr. Carla Whiteside-Hicks, Director of Economic & Employment Services

TESTIMONY ON: House Bill 2360 - Directing the secretary for children and families to review and compare data for public assistance program eligibility.

DCF | HB 2360 | Public Assistance Eligibility Verification

Chair Averkamp and members of the committee, thank you for the opportunity to provide testimony on House Bill 2360. The bill as written directs the secretary of the Department for Children and Families (DCF) to enter into agreements with both commercial entities and other state and federal agencies to allow for the continuous review, comparison and verification of data for public assistance eligibility. Under the proposal in this bill the agency must post data related to non-compliance and fraud investigations at least quarterly on the public website. Lastly, the agency would provide, by November 1st of 2025 to the legislative coordinating council, commercial, state and federal agency options to compare data options for approval.

The agency supports comprehensive eligibility verification and has extensive processes in place, including provisions listed in the bill. The additional provisions in some cases are not legally feasible or they would require significant administrative burden without a strong return on investment given the extensive efforts we already have in place.

Provisions listed in the bill which DCF currently fully or partially complies with include:

- Daily automatic match of death records from the office of vital statistics (*bill specifies monthly*);
- Regular review of employment and wage records from Kansas Department of Labor (*bill specifies quarterly*);
- Daily monitoring of out-of-state electronic benefit transfer (ebt) usage (*bill specifies monthly basis*);
- Quarterly review of change in employment income or assets from the Kansas Department of Labor (*bill specifies semi-monthly, however employers report to KDOL quarterly*)(*Monitoring assets will require, at minimum, an updated data sharing agreement between DCF and KDOL and additional EES staff*).
- Monthly review of Kansas Lottery and Kansas Racing and Gaming Commission winnings in excess of \$3,500 (*bill specifies in excess of \$3,000*);
- Monthly review of earned income, death records, incarceration records, supplemental security income information by the United State Social Security Administration (*EES stopped requesting the Beneficiary Earnings Exchange Record (BEER) file from IRS because KEES could not support the IRS security requirements for this data exchange. Requesting the BEER file will require KEES changes and all DCF staff, including IT staff, accessing data will need to be fingerprinted*);
- Monthly review of income and employment information maintained in the national director of new hires (*Food assistance recipients are not currently required to cooperate with Child Support enforcement*);

The agency does not currently comply with the following provisions in the bill:

- *Monthly payment and earnings information from the United States Department of Housing and urban Development – due to no existing data sharing agreement.*
- *Monthly fleeing felon information from the United States Federal Bureau of Investigation – due to no existing data sharing agreement.*

The agency is open to the provisions in the bill that require findings of noncompliance and fraud investigations in food assistance on the website on a quarterly basis. DCF's Fraud Investigation's Unit, apart of our Office of the General Counsel, aggressively investigates, detects, prevents and prosecutes welfare recipient fraud in all public assistance programs administered by the agency. Investigations by the Fraud Investigation Unit on the Food

Assistance program are federally required. The unit is comprised of Chief Investigator, 2 Deputy Chief Investigators, and a Fraud Hotline Receptionists located in the Office of General Counsel. 14 Fraud Special Investigators and 4 benefits eligibility experts assigned statewide.

While the agency has not had time to complete a full fiscal impact for the bill, the impact for Senate Bill 85 which requires similar provisions to only the food assistance program. It is estimated the development or expansion of the interfaces as written will result in initial expenditures of \$1.8 million with an ongoing maintenance estimated \$360,000 annually. 2 Management Systems Analysts FTE's will be required to manage interfaces and produce the information needed to continuously verify eligibility. The annual estimated costs for these positions including other operating costs are \$162,169 during the first year (SFY 2026).

Additionally, the changes noted to comply with the continuous eligibility are expected to increase the amount of work needing to be performed by Economic and Employment staff by 50%. This would result in a need for an additional \$9Million/182FTE's for continuous monitoring and review of food assistance benefits with increased data comparisons. *Further breakdowns will be provided in the Fiscal Note.*

Thank you again for the opportunity to provide testimony on House Bill 2360. DCF is opposed to this legislation as written and would ask that the committee to vote no.