

Benefits Cliff Calculator and Online Job Postings Proposal

2022 Regular Session, House Bill 7



Cabinet for Health and Family Services
Department for Community Based Services
Office of Application Technology Services

Introduction

During the 2022 Regular Session of the Kentucky General Assembly, House Bill 7, relating to welfare and family services, was passed. Section 32 of the bill required the Cabinet for Health and Family Services (CHFS/cabinet) to develop a proposal to make a benefits cliff calculator and online job postings database available to the general public and to all individuals and families applying or reapplying for public assistance benefits. The bill required that the proposal include estimated costs, projected timeline for implementation, partner organizations that may assist, how public assistance beneficiaries or representatives may use the calculator and database, and effective methods for how the cabinet will make the calculator and database available to all individuals and families applying or reapplying for public assistance benefits. This report was prepared with the assistance of the Education and Labor Cabinet, Office of the Kentucky Center for Statistics, and submitted in compliance with the requirements of House Bill 7.

Benefits Cliff Calculator

The Family Resource Simulator (FRS), designed by the Kentucky Center for Statistics (KYSTATS), in partnership with the National Center for Children in Poverty (NCCP), is a benefits cliff calculator created to help individuals and families in Kentucky understand how changes in income can impact state and federal benefits like health care and child care. The purpose of the FRS is to assist individuals in understanding the potential impact of changes in income or employment to public assistance benefits the individual or family is receiving. This tool is accessible to individuals and families, and is already being used by workforce partners, such as Kentucky Career Centers, Bluegrass Area Development District, Kentucky Office of Vocational Rehabilitation, Metro United Way, Community Action Agencies, Goodwill Industries, Kentucky Department of Libraries and Archives, and others. Public assistance case managers use the FRS to assist individuals who are looking for work or who need assistance determining how a new job or promotion may impact access to needed services. Additionally, human resource professionals and employers can also use this tool to target salaries that will smooth over benefits cliffs and provide a solid foundation for career pathways. This tool has the support of the Kentucky Society of Human Resource Management and the Kentucky Chamber Foundation's Talent Pipeline Management team. The FRS has been visited over 1,100 times since its launch in July 2022.


KYSTATS partnered with NCCP to develop this calculator. Rather than spending additional time and funding on creating another benefits cliff calculator, the cabinet is working with KYSTATS to increase the functionality and ease of understanding this Family Resource Simulator for public assistance recipients and their employers.

An example of a current calculator simulation is provided below:


Simulation Example


EKCEP Local Workforce Area


Every family in Kentucky is different, so each simulation will vary based on what is entered. Each Kentucky county also has its own median household income, which is also taken into consideration when results are calculated. The scenario outlined below illustrates what input a user will enter into the tool. The next page explains the results that the simulator provides.





Wolfe County
Median Household Income: \$22,292 per year


-  • Single parent, age 28
- Two children, ages 2 and 7
- Receives \$8,036 yearly for child support

-  • Income: \$21,000 per year; \$10.10 per hour
- 40 hours per week, 9-5 schedule

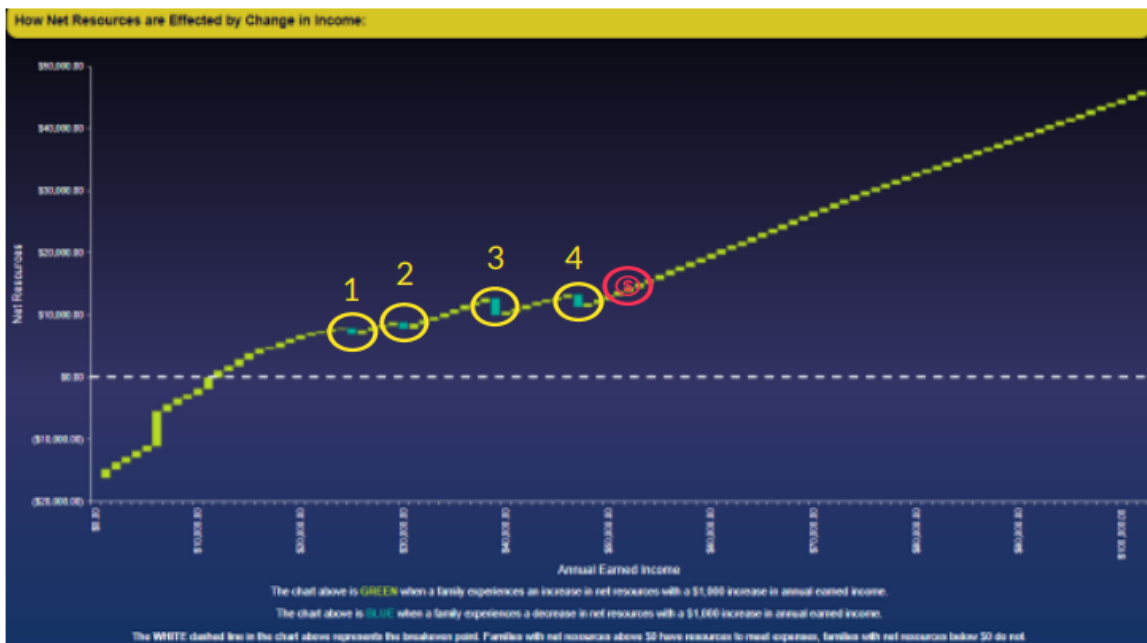
-  • Rent & electricity, \$8,088 per year
- Other expenses, \$5,220 per year
- Food, \$8,320 per year
- Child care - \$3,120 per year
- Transportation - \$3,948 per year
- Healthcare - \$300 per year

-  • \$2,400 per year in credit card debt

-  • No savings account
- Not a homeowner
- Owns vehicle, valued at \$1,500

-  • Child Care Assistance Program (CCAP)
- SNAP/Food Stamps
- Medicaid
- KTAP
- School meal programs
- 4 federal tax credits, one state income tax credit

The Wolfe County family will experience 4 benefit cliffs as their pay increases over time.



In this example, the simulator results indicate that the family will experience four benefits cliffs as wages increase. First, the family would lose Supplemental Nutrition Assistance Program (SNAP) assistance in purchasing food if they receive only a \$2/hour raise. As wages increase, the family will also lose health benefits for the parent, assistance in paying for child care through the Child Care Assistance Program, and finally the children will lose health insurance. These benefits cliffs will cause the family in this example to pay thousands of dollars more per year for food, health insurance, and child care.

As with all benefits cliff calculators, the FRS does present challenges. Eligibility programs are extremely complex, and rules vary between programs. Programming every detail into a calculator—designed to be easily understood and interpreted—will not be possible to do with 100% accuracy. At the same time, the calculator will need constant updating as income limits, benefit amounts, policies, and the needs of employers and employees shift, as they frequently do. As the calculator is refined to meet these very Kentucky-specific needs, Kentucky will need to strike the balance between fast, easily-understood results and the level of detail needed for accuracy. As such, the FRS will contain disclaimers about the information in the calculator, and that the most accurate information will be provided during the official eligibility process.

The cabinet is working with KYSTATS to make improvements in the current system and to integrate the functions of the FRS into its online kynect portal, making the tool available to anyone applying or reapplying for public assistance benefits. This is being done in two phases.

During phase one, KYSTATS will work with the cabinet and other partners to enhance the existing interface by providing clarifications throughout and streamlining the current solution. KYSTATS estimates this will cost approximately \$100,000. This is a rough estimate at this time as the specific changes to be made are still being discussed. KYSTATS and the cabinet have agreed on a target date for completion of phase one by July 2023. This includes an estimated three months for requirements gathering and six months for design, development, and system integration.

During phase two, the FRS will be integrated with the kynect benefits system. This functionality will allow individuals that are applying, reapplying, or currently receive public assistance benefits to access the benefits cliff calculator with their personal information prepopulated based on the information provided in their applications for public assistance. This will prevent individuals from having to enter the same information repeatedly and will improve accuracy of the calculator's estimated impact. The cabinet and KYSTATS are still developing a cost estimate for this work, but projecting approximate costs of \$130,000, and timeline estimates of approximately July 2024.

Online Job Postings Database

The Education and Labor Cabinet, through which the FRS is made available, also currently uses Focus Suite, an automatic job-match engine powered by Burning Glass Technologies, containing a set of online tools for career seekers and employers. Career

seekers can create a professional resume, search, apply for employment, and explore in-demand career paths and educational opportunities. For employers, this labor exchange system assists employers with posting career openings, reviewing resumes, and sending invitations for interviews. The system offers an intuitive design and features that employers request; puts the employer in control with a flexible job, talent, and account management; and widens qualified candidates' selection. A company is able to post job openings and search for qualified candidates using this today. The system offers a sizeable job-seeker pool: there have been 24,000 active job seekers access the site in the past 90 days.

Focus Talent allows job candidates to assess their potential for short-term and long-term business needs. This flexible system provides access to various conditions: automated job seeker referrals based on company requirements, intelligent searching, quick job posting, and a user-friendly job posting writer.

The Focus Talent system allows employers remote access, 24/7, to manage their workforce account. For more information on each tool, please see the links below:

- Focus Talent at <https://focustalent.ky.gov> – for employers
- Focus Career at <https://focuscareer.ky.gov> – for career seekers
- Focus Explorer at <https://focuscareer.ky.gov/careerexplorer/explorer/explore> – career exploration module

In addition to the Focus Suite, the Education and Labor Cabinet is adding a suite of tools from LinkedIn. This suite of tools will consist of the LinkedIn Talent Insights, LinkedIn Recruiter, LinkedIn Career Page, and LinkedIn Job Slots. These tools will allow recruiters to gain an understanding of the workforce and employment trends by region or industry and create talent pool reports of current job seekers and company reports to understand employer and career seeker hiring trends. Online dashboards will provide employers and career seekers access to the 1.5+ million workforce professional members in Kentucky (810 million worldwide). Employers will be able to pinpoint talent searches with the built-in filters as a way to connect with career seekers. Or job postings can be posted via Job Slots to allow the LinkedIn algorithm to match employers and career seekers. And of course, the LinkedIn job posting algorithm can push job opportunities via LinkedIn profiles, emails or the mobile app, as a way of reaching as many career seekers as possible. This suite of tools from LinkedIn will be added to the already available Focus Suite in September of 2022 at no additional costs. The Cabinet for Health and Family Services will work with the Education and Labor Cabinet to provide a link from the online kynect portal to access Focus Suites and the new LinkedIn tools, making them available to anyone applying or reapplying for public assistance benefits.