# Benefits Cliff Task Force

### Minutes of the<MeetNo1> 3rd Meeting

### of the 2022 Interim

### <MeetMDY1> September 22, 2022

**Call to Order and Roll Call**

The<MeetNo2> 3rd meeting of the Benefits Cliff Task Force was held on<Day> Thursday,<MeetMDY2> September 22, 2022, at<MeetTime> 3:00 PM, in<Room> Room 129 of the Capitol Annex. Representative Jonathan Dixon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members:<Members> Representative Jonathan Dixon, Co-Chair; Senators Gerald A. Neal, Michael J. Nemes, and Phillip Wheeler; Representatives Josh Bray, Pamela Stevenson, and Russell Webber.

Guests: Lesa Dennis, Deputy Commissioner, Department for Community Based Services, Cabinet for Health and Family Services; Andrea Day, Director, Division of Child Care, Department for Community Based Services, Cabinet for Health and Family Services; Laura Begin, Staff Assistant, Department for Community Based Services, Cabinet for Health and Family Services; Emily Beauregard, Executive Director, Kentucky Voices for Health; Cara Stewart, Director of Policy and Advocacy, Kentucky Voices for Health; Jessica Dixon, Citizen; Keisha Curry, Citizen; and Paul Gronowski, Director of Workforce Solutions and Training, Audubon Area Community Services.

LRC Staff: Janine Coy, Chris Joffrion, Kirk Smith, and Sasche Allen.

**Approval of Minutes**

A motion to approve the minutes of the August 24, 2022, meeting was made by Representative Bray, seconded by Senator Wheeler, and approved by voice vote.

**Cabinet for Health and Family Services Update on Changes to the Child Care Assistance Program and Development of a Benefits Cliff Calculator and Job Posting Website**

The Child Care Assistance Program (CCAP) is a public assistance program for eligible low-income families in which the child care provider directly receives a portion or entirety of a child’s tuition costs from the Cabinet for Health and Family Services (CHFS). In early 2021, state and federal funding was appropriated with the intent of assisting child care providers in recovering from the COVID-19 pandemic. Providers received a $2 per child per day increase in the CCAP reimbursement rate. Additionally, federal APRA funding was utilized to further increase the reimbursement rate to 80 percent of the market rate. As of May 2022, there were 15,096 families with a total of 26,946 children enrolled in the program with over 1,600 child care providers participating. Recent changes to CCAP increased program eligibility from 160 percent of the federal poverty level to 200 percent of the federal poverty level and then to 85 percent of the state median income. A transitional six month exit period for the program was also implemented for households exceeding income limits to combat the benefits cliff. The benefits cliff for CCAP is one the largest cliffs among public assistance programs.

House Bill 7 of the 2022 Regular Session required CHFS to develop a proposal to make a benefits cliff calculator available to the general public and all individuals applying for public assistance benefits. The Kentucky Center for Statistics (KYSTATS) partnered with the National Center for Children in Poverty to create a Family Resource Simulator (FRS). The FRS is a benefits cliff calculator designed to help families understand how changes in income will impact benefits. CHFS will work with KYSTATS to increase accessibility and functionality for public assistance recipients. House Bill 7 also required CHFS to develop an online job postings database available to the general public. Through collaboration with the Education and Labor Cabinet, an automatic job match engine containing online tools for career seekers and employers was launched, and in September 2022 several LinkedIn tools were added. CHFS will eventually link the database to KYNECT. Supplemental Nutrition Assistance Program data and participation was also discussed.

Addressing questions from Senator Neal, Andrea Day, Director of the Division of Child Care, stated there are many more families across the state that are eligible for CCAP and could benefit from the program. Additionally, she discussed the potentially negative impact on child care providers once ARPA funding is depleted. CHFS is currently analyzing the potential effects and formulating solutions.

Replying to questions from Representative Dixon, Lesa Dennis, Deputy Commissioner for the Department for Community Based Services, reiterated that CHFS is analyzing the potential effects on the child care sector once ARPA funding has been depleted and formulating possible solutions. Ms. Day confirmed that ARPA funding is being utilized for the newly implemented transitional exit period program. Addressing follow up questions, she discussed the possibility of phasing individuals off public assistance benefits in a tiered system, which is highly encouraged federally.

Senator Neal suggested that CHFS reference other states, such as Tennessee, as an example for phasing individuals off public assistance benefits in a tiered system.

**The Lived Experiences of Those on the Edge of the Benefits Cliff**

Emily Beauregard, Executive Director, Kentucky Voices for Health, and Cara Stewart, Director of Policy and Advocacy, Kentucky Voices for Health, gave an overview of how benefit cliffs impact families across the Commonwealth. According to Kentucky Voices for Health, Kentuckians face multiple benefit cliffs that involve challenges related to accessing benefits, keeping benefits, and replacing those benefits when no longer income eligible. With most Kentuckians earning under $50,000 per year, Ms. Beauregard explained that considering the minimum yearly earnings for self-sustainability, many individuals across the state are at the edge of a benefit cliff and gain and lose eligibility for benefits over time. Data was presented regarding the Supplemental Nutrition Assistance Program, the declining number of child care centers, a Medicaid participation study, a social services study currently being conducted that involves interviews with benefit recipients, and the Paths 2 Promise pilot program. Jessica Dixon and Keisha Curry testified about their lived experiences as recipients of public assistance benefits.

Answering a question from Representative Dixon, Ms. Dixon said from her experience, a tiered system for benefits would be beneficial to benefit recipients. Ms. Stewart described how easy it can be for individuals to no longer qualify for certain benefits with a small income increase.

Senator Nemes commented about providing better wrap around services for those receiving benefits and advertising education and workforce training programs available across the state.

Responding to questions from Senator Wheeler, Ms. Stewart stated she believes child care has the largest benefit cliff, and although health insurance may have the smallest benefit cliff, it is still a major issue. Answering a follow up question, Ms. Stewart discussed the state’s early childhood apprenticeship programs and a child care training program available through ARPA funding.

Senator Neal made remarks about CHFS reexamining the communication amongst benefit programs and how information regarding accessibility to benefits is relayed to the public.

**Kentucky Community Action Network and SNAP Employment and Training Services**

Paul Gronowski, Director of Workforce Solutions and Training for Audubon Area Community Services, detailed his organization’s client services, programs, and practices to promote stable employment and self-sufficiency in 34 counties across the Commonwealth. During the client intake process multiple data collection methods are used to help identify enrollees. Once enrolled, clients’ needs are addressed with a comprehensive skill-focused approach and efforts are made to improve financial well-being, combine technical with soft skills, and comprehensive services beyond program completion are discussed. Clients are then prepared for successful job placement through personal effectiveness skills training, specialized training, work-based learning, and preparation for changing needs. External engagement with employers crucial to meeting the changing needs of clients and responding to the changing demands of the workforce. Audubon Area Community Services has a dedicated program staff to foster employer engagement and provide business services to involve employers. Additionally, job retention services are available that consist of monthly follow up with clients to assist with challenges in maintaining employment stability, promote career advancement, and provide earned income tax information.

Answering a question from Representative Stevenson, Mr. Gronowski stated his organization serves 34 counties but the COVID-19 pandemic did affect program enrollment.

Replying to questions from Representative Dixon, Mr. Gronowski confirmed that his organization receives state and federal funding and has approximately a 96 percent job retention rate for clients. Advertising is also done throughout the state for program services.

There being no further business before the committee, the meeting adjourned at 4:53 p.m.