



KWIB and Collaborative Workforce Participation and Sustainability Committee Meeting

DRAFT MINUTES

January 21, 2022; 2:00pm – 3:30pm EST

Meeting via zoom

<https://us02web.zoom.us/j/89362660181?pwd=Y2lWUTZaMDN1eHpMS0liUHJSMG1UZz09>

Passcode: 248168

MEMBERS PRESENT:

Amy Luttrell - CHAIR (KWIB)	X	Dr. Paul Czarapata	
Jon Davidson - CHAIR (Collaborative)		Dr. Bob Jackson	
Edgardo Mansilla		Dr. Jason Glass / David Horseman (proxy)	X
Judge Exec. Micheal Hale		Kristin Porter	
Lynn Parrish	X	Laurie Mays	X
Heidi Margulis	X	Todd Dunn	X
Buddy Hoskinson		Michael Buckentin	
Ryan Holmes	X	Dr. Jacquelyn Korengel	
Trace Chesser		Cora McNabb	X
Jessica Cunningham		Scott Secamiglio	X
Zach Morgan		Suhas Kulkarni	
Karen Trial		Shauna King-Simms	X
Julie Whitis		Johnny Collett	X
Jeremy Faulkner		Johnny Pittman	X
Alecia Webb-Edgington			

OTHERS PRESENT:

Lyndsey Brown	X	Debbie Dennison - KWIB	X
Myra Wilson- Cumberland's WIB	X	Jacob McAndrews - KWIB	X
Jon Sowards – South Central WIB	X	Stefanie Ebbens-Kingsley - KWIB	X
Tara Johnson-Noem – Northern KY WIB	X	Mary Pat Regan	X
Vickie Wise – Labor Cabinet	X	Rosalind Harvey	X
Chad Hardison	X	Hilary Writt	X
Adrian Jacob	X		

2:01PM CALL MEETING TO ORDER / WELCOME

Amy Luttrell, co-chair, called the meeting to order, welcomed new and existing members and briefly walked through the agenda.

OPPORTUNITY YOUTH AND YOUNG ADULTS SUBCOMMITTEE UPDATES

Johnny Pittman, Chair of the OY/YA Committee, updated the committee on the joint work between the Opportunity Youth and Young Adults subcommittee and the Sector Strategies

subcommittee to create a toolkit for employers implementing work-based learning opportunities. The two committees are meeting jointly on February 11th to outline the scope and goals of the project as well as potential hurdles. From that point, a working group comprised of members from both committees will work with KWIB staff in developing the toolkit.

We are hoping to engage subject matter experts to ensure we are doing everything we can to make this as successful as possible. Age barriers in place for jobs identified as carrying a higher risk/hazards have posed an issue in the past. The group will look at these policies and regulations to see how we can operate within that space and perhaps provide policy recommendations for change.

Stefanie Ebbens-Kingsley and Vickie Wise with the Labor Cabinet will connect after the meeting to identify people in the Labor Cabinet who can serve on the working group to provide insight on fair labor standards.

FAMILY RESOURCE SIMULATOR GRANT APPLICATION UPDATE

Jacob McAndrews, KWIB Administrative Coordinator, gave a quick rundown of the Statewide Reserve Grant application the KWIB staff put together as a response to the motion passed at the November 9th committee meeting. The purpose of the application is to acquire funding for a comprehensive analysis of the Family Resource Simulator that was developed by KYSTATS and the National Center for Children in Poverty (NCCP). With this analysis, the KWIB will be better equipped to offer meaningful policy recommendations to eliminate benefit cliffs and disincentives to work. The application draft will be sent out to the committee following the meeting and feedback can be sent to Jacob McAndrews (jacob.mcandrews@ky.gov) until end of business on Friday, January 28th.

FAMILY RESOURCE SIMULATOR INTERVIEW UPDATE

Stefanie Ebbens-Kingsley, Executive Director of the KWIB, gave an update in the interviews being conducted regarding the Family Resource Simulator. These interviews will be used to create an informational video that will demonstrate how the tool can be used to provide information to real life families. Thus far, several Goodwill participants and success coaches have been interviewed. The KWIB and the cabinet's communications team are collaborating to create the resource. The video should be done by the end of February, with an update to the website/tool coming from KYSTATS the following month.

THRIVEKY HEALTHCARE OVERVIEW AND POLICY RECOMMENDATIONS

Stefanie Ebbens-Kingsley, Executive Director of the KWIB, provided an overview of the ThriveKY policy recommendations. Those proposals are included in the post-meeting packet.

ID DOCUMENT DISCUSSION

Amy Luttrell, co-chair, provided an update on the ID services being provided by the Transportation Cabinet to ex-offenders as the cabinet transitions to a regional service model (as opposed to conducting services in each county). At the end of the rollout there will be an estimated 31 regional offices. As part of this rollout, KYTC staff will provide mobile services that travel to each county on a rotating basis. Amy then opened the floor to discussion.

Stefanie Ebbens-Kingsley notes that the mobile services will be in each county every six months. The schedule is posted and accessible online but getting that information to our service providers will be crucial to make sure that those they serve are able to make appointments.

Debbie Dennison noted that KDLA (KY Dept of Libraries and Archives) is working with KYTC on streamlining through their 170+ library locations across the state. The details are still being worked out, but there are state partners who are willing and able to make this process easier. The press release from KDLA regarding REAL IDs can be found [here](#). You can also sign up for notifications about the pop-up locations and schedules [here](#).

Myra Wilson, Executive Director of the Cumberland WIB, identified the recovery population as a crucial group that we need to make sure does not get left behind in this process.

Johnny Pittman, Chair of the OY/YA subcommittee, mentioned how the process can be confusing even for those who are not dealing with additional factors like recovery or re-entry from incarceration.

ADDITIONAL DISCUSSION

Jon Sowards, Executive Director of the South Central WIB, brought forth a discussion regarding attitudes and motivation towards work.

Innovative ways to build relationships and promote the workforce services without engaging in direct marketing will be a key to success.

ADJOURNMENT

Amy Luttrell adjourned the meeting at 3:30 EST.

Next meeting: March 22nd at 2:00 EST

K-TAP Recommendation

Eliminate or raise the asset limit for K-TAP, allowing families with children more savings for the future

Kentucky's \$2,000 asset limit for K-TAP reflects AFDC policy from over twenty years ago. Most states have raised or eliminated their TANF asset limit, allowing families more resources to weather hard times and build for the future. Kentucky should follow suit. The alternative is to strip families with children of resources during hard times or force them to go without assistance at all.

The current debate over Broad Based Categorical Eligibility (BBCE) in SNAP provides useful parallels. Most states have used BBCE to eliminate asset tests in SNAP by linking SNAP to a TANF-funded benefit without them. States save time by not checking assets. Households get help putting food on the table.

The Trump administration has proposed new limits on BBCE, calling on states to link SNAP asset policy to guidelines for more substantial TANF-funded benefits.¹ Elimination of the asset test in K-TAP would better position Kentucky to continue our current SNAP policy.

Benefits of the policy change include:

- An end to “resource stripping” of families with children during hard times
- Greater family resiliency to build for the future
- Greater incentive to work by allowing savings to accumulate
- Elimination of a time-consuming “wild goose chase” element of eligibility verification
- Better protection of SNAP asset policy from newly proposed federal regulations

Should Kentucky worry that a low-income, high-asset family will receive aid—and perhaps publicity? Under current guidelines, K-TAP families must have income far below the poverty line to qualify. At \$526 for a family of three, the current Standard of Need (the net income cutoff) is just 30 percent of the federal poverty level for 2019. The likelihood that very low income families have significant savings is small. The absence of SNAP-related “low income, high asset” anecdotes suggests that the improved asset policy helps families in need and not otherwise.

What policy changes are required?

Nothing in Kentucky statute requires the current asset limit. As a result, no legislation or budget language would be required to raise or eliminate it. Instead, Kentucky would have to amend its TANF block grant plan by submitting proposed changes to DHHS. For implementation, relevant sections of administrative regulations at 921 KAR 2:016 and related manual sections would have to be deleted, amended or simplified—as would related steps in benefit determination. Amended regulations would be subject to legislative review.

Costs and savings

From past discussions with DCBS, we understand that only a tiny fraction of K-TAP and SNAP applicants were ever turned away for excess assets. Yet time must be spent by caseworkers and families in all cases, most often to “prove the negative.” Elimination of the asset test would free up caseworker time. We expect caseload growth would be slow and small.

SNAP provides another useful parallel. Most states including Kentucky have used Broad Based Categorical Eligibility to eliminate asset tests. The option's popularity with states suggests that benefits outweigh costs. Kentucky's current TANF surplus provides a source of funds for any increased costs.ⁱⁱ

State examples

Compared to post-1996 earned income disregards, state asset limits more often resemble AFDC-era restrictions.ⁱⁱⁱ Yet as of 2018, 31 states had increased or eliminated their limit. Kentucky's surrounding states show a mix of policies. Three of our neighbors have no asset limit: Ohio, Virginia and Illinois. Missouri has raised the limit to \$5,000. West Virginia and Tennessee retain an AFDC-style \$2,000. Indiana rounds out the bottom end at \$1,500. Kentucky should go with the majority of its neighbors, improving or eliminating its TANF asset test.

Prepared by:

Richard J. Seckel
Kentucky Equal Justice Center

Revised January 8, 2020

ⁱ "Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program," *Federal Register*, July 24, 2019, Vol. 84, No. 142, 35570-35581, <https://www.federalregister.gov/documents/2019/07/24/2019-15670/revision-of-categorical-eligibility-in-the-supplemental-nutrition-assistance-program-snap>.

ⁱⁱ For FFY 2018, Kentucky had an unobligated \$63.8 million. See Page 11 at HHS: https://www.acf.hhs.gov/sites/default/files/ofa/tanf_financial_data_fy_2018_8719.pdf

ⁱⁱⁱ [Welfare Rules Database](#). Urban Institute.

K-TAP Recommendation

Better reward earned income in K-TAP by improving earned income disregards

Kentucky's rules for treating earned income in K-TAP are a holdover from Aid to Families with Dependent Children (AFDC). Income disregards are time limited. They phase out at low levels of earnings. (Aficionados of AFDC will remember the "\$30 and a third" disregard. Kentucky still has it.) They lag behind other states.

Improvements in earned income disregards make work pay by allowing families in effect to keep more of their earnings. We recommend that Kentucky join the vast majority of states by removing the AFDC-era time limit on disregards and adopting a flat percentage. The most common percentage adopted by states: 50 percent of earnings.ⁱ

We suggest that the work expense disregard be raised as well, from \$90 to \$175. Together, the changes would:

- "make work pay" better for very low income families
- bring more income into households with children with earnings
- eliminate the discouraging "downward curve" of the current time-limited system
- add more countable workers toward federally required participation rates

One potential downside: families might use more months of their time-limited TANF eligibility before earnings rise to a level that disqualified them. However, few K-TAP adults ever reach the 60-month time limit.

What Policy Changes Are Required

The TANF block grant allows states flexibility in most matters. Nothing in Kentucky statute requires use of specific earned income disregards. No legislation or budget language would be required to change the current disregards. Instead, Kentucky would have to amend its TANF block grant plan by submitting proposed changes to DHHS. For implementation, relevant sections of administrative regulations at 921 KAR 2:016 and related manual sections would have to be amended, as would related steps in the benefit eligibility system. Amended regulations would be subject to legislative review.

Costs and savings

Caseload, average benefits and costs likely would grow slowly as families with earned income joined the program or existing families improved earnings. Growth would depend on the exact mix of policies selected. Key TANF policy staff at the Center on Budget and Policy Priorities have offered to model new policies and their effects on benefits. Cabinet policy staff may wish to work through several policy iterations with modeling before choosing the right "mix." The fact that the vast majority of states have long since improved income disregards suggests that the policy is both family and budget friendly. We predict that average grants will go down as families bring greater earnings into the picture.

State examples

Kentucky currently disregards 100 percent of new earnings once in a lifetime for two months. Otherwise, it disregards \$30 and 1/3 of remaining income for 4 months and \$30 for another 8 months—the approach held over from AFDC. Almost all states have improved TANF earned income disregards

over their AFDC-related predecessors—including all of Kentucky’s surrounding states.ⁱⁱ Among our neighbors, Tennessee disregards \$250 of earnings in all months; Ohio disregards \$250 plus 50%. Both Illinois and Indiana disregard 75% of earnings. Only Missouri retains a time-phased approach to disregards, but it provides strong incentives for new earnings, disregarding 100% of earnings for the first six months.

It is time to give Kentucky families a better opportunity to benefit from their own earnings.

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Revised January 8, 2020

ⁱ Welfare Rules Database. Urban Institute. [2018 Table II.A.1](#).

ⁱⁱ Welfare Rules Database. Urban Institute. [2018 Table II.A.1](#).

K-TAP Recommendation

Eliminate AFDC-era “deprivation factors” that discriminate against two parent families

Kentucky retains complex rules from AFDC that most states have abandoned as needlessly complex or adverse to the first statutory purpose of TANF: to “provide assistance to needy families so that children can be cared for in their own homes or in the homes of relatives.” (See the four purposes of TANF.ⁱ)

Kentucky requires not just that household income fall far below the federal poverty line to qualify for K-TAP aid. It requires families to demonstrate that children are “deprived” of the support or care of a parent through death, absence, incapacity or unemployment. The deprivation factors of incapacity and unemployment apply to two parent households.

We propose that Kentucky remove the deprivation requirement for a family to qualify for K-TAP. The change would make K-TAP a stronger element of family toolkits during hard times. It would:

- simplify eligibility determinations by eliminating complex inquiries
- end a form of discrimination against two-parent families
- get aid to more children in very low income households
- link more parents to potentially valuable education and training

Education and training possibilities for parents include participation in the highly regarded Ready to Work program, which supports access to post-secondary education for low income parents.ⁱⁱ

What policy changes are required?

Nothing in Kentucky statute requires use of deprivation factors. As a result, no legislation or budget language would be required to eliminate them. Instead, Kentucky would have to amend its TANF block grant plan by submitting proposed changes to DHHS. For implementation, relevant sections of administrative regulations at 921 KAR 2:006 and manual sections cited above would have to be deleted, amended or simplified—as would related steps in benefit. Amended regulations would be subject to legislative review.

Costs and savings

Participation of two parent families in K-TAP is very small. In November, 2019, just 873 parents in 465 cases participated in the Unemployed Parent category. Average monthly benefit per participant was \$67.98 and total monthly cost statewide was just \$139,090.ⁱⁱⁱ

Under the proposed change, caseload and costs likely would grow slowly. Since income guidelines remain far below poverty, even modest earnings would reduce or eliminate aid for a household—perhaps all too quickly (see our recommendation on income disregards).

If 500 more adults were helped each month, the additional monthly cost at the current average Unemployed Parent rate would be \$33,990—well below half a million a year. Kentucky could use a small portion of its \$63.8 TANF surplus to support the change.^{iv}

State examples

Examples of states that have abandoned AFDC-era deprivation factors abound. Among a Southern state cohort stretching from Texas to Virginia, only Georgia and Mississippi retain a “work history” test for TANF eligibility for a second parent like Kentucky does. Only Louisiana excludes two-parent families entirely. Among the 50 states, in 2018, only four states other than Kentucky retained a work history test: Georgia, Mississippi, Oklahoma and South Dakota.^v

The fact that most states have abandoned deprivation factors suggests that help to low income families and gains in administrative simplicity more than justify any costs.

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ⁱ See the four purposes of TANF [here](#).

ⁱⁱ “[TANF Education and Training: Kentucky’s Ready to Work Program](#).” Josh Bone. Center for Law and Social Policy. January 2010.

ⁱⁱⁱ PA-264. November 2019.

^{iv} For FFY 2018, Kentucky had an unobligated \$63.8 million. See Page 11 at HHS: https://www.acf.hhs.gov/sites/default/files/ofa/tanf_financial_data_fy_2018_8719.pdf

^v [Welfare Rules Database](#). Urban Institute.