



6 MAJOR PROBLEMS WITH SB89 AND EXPANDING "ARKANSAS WORK PAYS"

The "Arkansas Work Pays" (AWP) program is a limited program for individuals who leave cash welfare and return to work. This is by design. The limited benefits are intended to be a bridge or an "off ramp" to help ease the transition and reduce whatever "welfare cliff" effect enrollees might feel as they leave dependency.

Senate Bill 89 would flip this program on its head and transform this limited, off-ramp program into an open-ended, on-ramp program for able-bodied adults.

1. "ARKANSAS WORK PAYS" WAS INTENDED TO BE AN OFF-RAMP OUT OF CASH WELFARE. SB89 WOULD TURN IT INTO AN ON-RAMP FOR ABLE-BODIED ADULTS.

Currently, in order to qualify for AWP, Arkansans must have been recently enrolled in cash welfare.¹ Again, this is because AWP is intended to be an off-ramp and help people transition off. But SB89 seeks to remove this requirement, opening up the program to anyone.

In their testimony before Senate Public Health, Department of Workforce Services (DWS) officials admitted that this provision is limiting their ability to enroll more able-bodied adults in welfare, implying that removing this provision will help them expand welfare.

In short, SB89 would open up the program to essentially anyone under the income limit and turn AWP into an on-ramp instead of an off-ramp, proactively bringing people into the welfare system.

2. SB89 WOULD WATER DOWN ARKANSAS'S STRONG CASH WELFARE WORK REQUIREMENT.

Unlike other welfare programs, the TANF work requirement is calculated program-wide, not on an individual level. By expanding the program to more workers, the agency can artificially drive up their work participation rate and give the public the impression that more people are working. But in reality, they simply recruited more workers into welfare. This would also allow current enrollees to relax their work hours and work less.

¹ Work Pays manual, page 141: https://dws.arkansas.gov/wp-content/uploads/TEA_and_Work_Pays_Policy_Revision_02072022-1.pdf.

3. SB89 WOULD EXPAND WELFARE TO PEOPLE WHO ARE ALREADY WORKING.

In order to be eligible for AWP, enrollees must be working.² While this may sound noble on its face, in reality, it amounts to sending welfare checks to able-bodied adults who already have jobs, some of whom are already making close to 1.5 times the poverty level.³ This is not a program for the truly needy, individuals who are disabled or incapable of working, or individuals who are out of work and fallen on hard times. Indeed, state law requires individuals to have worked for a minimum of twenty-four hours per week for the past month when they apply. **Plain and simple, this is welfare for working people.**

4. “ARKANSAS WORK PAYS” CONTAINS NO ASSET LIMIT, WHICH WOULD ALLOW ARKANSANS WITH SIGNIFICANT RESOURCES ON THE PROGRAM.

By expanding AWP further, Arkansas would be perpetuating this problem. According to the TEA policy manual, there is no resource (asset) test for enrollees.⁴ This would allow enrollees with significant resources—even millionaires—to enroll in this program that is intended for poor Arkansans.

5. SB89 WOULD SUCK ARKANSANS BACK INTO WELFARE WHO LEFT YEARS AGO AND ALREADY MAXED OUT THEIR BENEFITS.

Able-bodied Arkansans who enroll in cash welfare can receive up to two years of benefits before they are time limited.⁵ The Arkansas Work Pays program allows them to continue receiving benefits for another two years, doubling the potential amount of time someone spends on welfare. This is already problematic, as it perpetuates dependency and drains taxpayers. But removing the requirement that AWP enrollees must have been recently enrolled in cash welfare would make this program even worse by reopening the door to the program for people who have already exhausted their benefits. **For example, someone who maxed out years ago could now come back into the system and receive another two years of welfare.**

6. SB89 PROVIDES MASSIVE TAXPAYER-FUNDED BONUSES TO ABLE-BODIED ADULTS WHO EXCEED THE PROGRAM'S INCOME LIMITS.

AWP provides generous, taxpayer-funded bonuses to working Arkansans, which can range as high as \$1,200. The highest bonus goes to workers who have *exceeded* the income limit for the program. Another way to think of this: **taxpayers are literally providing bonuses to workers who have committed welfare fraud by earning more than the program allows.**

² Work Pays policy manual, page 141, 144: https://dws.arkansas.gov/wp-content/uploads/TEA_and_Work_Pays_Policy_Revision_02072022-1.pdf.

³ Gross earnings must be below 150% of the federal poverty level, page 143: https://dws.arkansas.gov/wp-content/uploads/TEA_and_Work_Pays_Policy_Revision_02072022-1.pdf.

⁴ “No documentation of resources will be required, as household’s resources are totally disregarded.” Page 143: https://dws.arkansas.gov/wp-content/uploads/TEA_and_Work_Pays_Policy_Revision_02072022-1.pdf.